



LINN COUNTY, OREGON
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

Prepared by:

General Administration

William E. Palmer, CPA
Accounting Officer

LINN COUNTY, OREGON

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INTRODUCTORY SECTION

- Officers and Members of the Governing Body
- Organization Chart
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting

LINN COUNTY, OREGON
OFFICERS AND MEMEBERS OF THE GOVERNING BODY
June 30, 2023

Elected Officials

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Roger Nyquist	Commissioner, Board Chairperson	December 2024
William Tucker	Commissioner, Vice-Chairperson	December 2026
Sherrie Sprenger	Commissioner	December 2024
Andy Stevens	Assessor and Tax Collector	December 2024
Steve Druckenmiller	Clerk	December 2026
Douglas Marteeny	District Attorney	December 2024
Honorable Jessica Meyer	Justice of the Peace – Central Linn	December 2026
Michelle Duncan	Sheriff	December 2026
Tom Casey	Surveyor	December 2024
Michelle Hawkins	Treasurer	December 2024

Administrative Officer

Darrin Lane

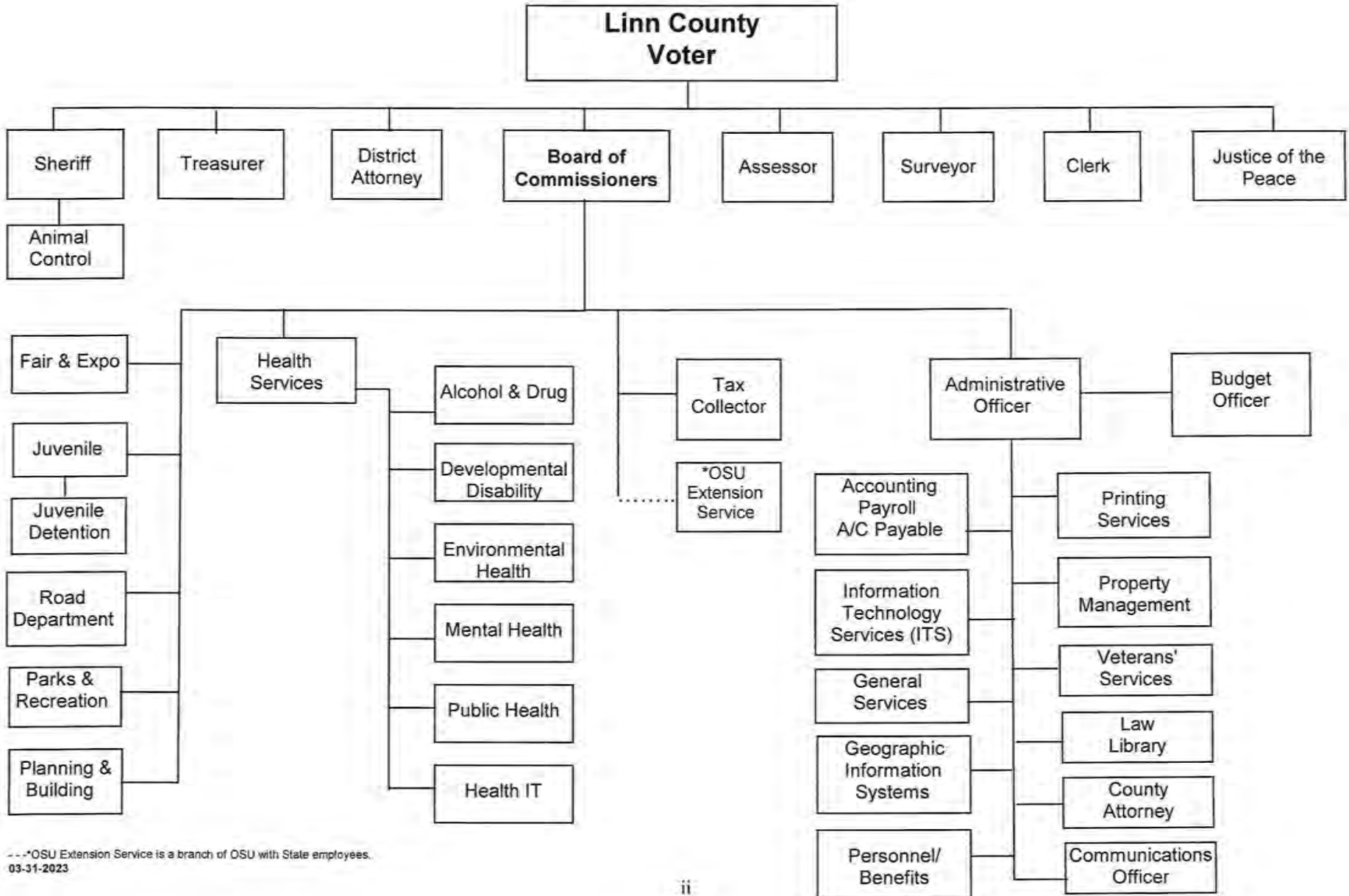
Registered Address

Linn County Courthouse
P.O. Box 100
Albany, Oregon 97321



LINN COUNTY, OREGON

Organization Chart
2023



--- *OSU Extension Service is a branch of OSU with State employees.
03-31-2023



DARRIN L. LANE
Administrative Officer

LINN COUNTY GENERAL ADMINISTRATION

300 Fourth Avenue, SW (Room 201), PO Box 100, Albany OR 97321-0031
Phone (541) 967-3825 Fax (541) 926-8228

*Accounting/Payroll, Personnel Services, IT, GIS, County Attorney
General Services/Facilities/Property, Printing/Supplies, Veterans' Services*

BOARD OF COMMISSIONERS

*Roger Nyquist
Sherrie Sprenger
Will Tucker*

December 22, 2023

Honorable Members
Board of Commissioners
County of Linn, Oregon
P.O. Box 100
Albany, Oregon 97321

To the Members of the Board of Commissioners
and the Citizens of Linn County, Oregon,

In accordance with Oregon Revised Statutes Title 28, Section 297.425, we are pleased to submit this Annual Financial Report of Linn County, Oregon for the fiscal year ending June 30, 2023. This report consists of management's representations concerning the finances of Linn County; consequently, management assumes full responsibility for the accuracy and reliability of the presented data, plus the completeness and fairness of its presentation, including all disclosures. As management, we assert, to the best of our knowledge and belief, that this report is complete and accurate in all material respects and is prepared in a manner designed to present fairly the financial position and results of the operations of Linn County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a clear and comprehensive understanding of Linn County's financial affairs have been included.

In providing a reasonable basis for making these representations, the adequacy of Linn County's accounting system and the internal accounting controls are key factors. Linn County has established and routinely reviews internal accounting controls and the framework of procedures that are designed and monitored to both protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Linn County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The controls and procedures are intended and designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management,

we assert that, to the best of our knowledge and belief, that the County's internal controls and procedures adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded and monitored on a continuing and ongoing basis.

Pauly, Rogers and Co., P.C., a firm of licensed certified public accountants have audited the County's financial statements, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that the County's financial statements for the fiscal year ending June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ending June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As with last year's report, this report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. It is our belief that the accompanying financial report continues to meet those program standards and this report will be submitted to the GFOA for review. In accordance with GAAP, County management has provided a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A is located in the financial section of this report immediately following the independent auditor's report.

PROFILE OF LINN COUNTY

Linn County, established December 28, 1847, is in the center of Oregon's Willamette Valley with the Willamette River as its western boundary and the crest of the Cascade Mountain Range as its eastern boundary. Linn County has a total area of 2,309 square miles of which 19 square miles is water. The County is home, per the Portland State Population Research Center, to an estimated July 1, 2022 population of 131,194. The County seat is Albany, the eleventh largest city in Oregon. Albany is located at the confluence of the Calapooia and Willamette rivers. The County is named in honor of Lewis F. Linn, a US Senator from Missouri who advocated the American settlement of the Oregon Country. There are 15 incorporated cities in Linn County.

The County is governed under Oregon law as a "general law county" with a governing body of three full-time commissioners elected at large on a partisan basis, serving staggered four-year terms. The Board of Commissioners is responsible for, among other things, adopting policies, passing ordinances, adopting the budget, appointing various committees and advisory groups, conducting hearings and hiring and supervising key department heads including the Administrative Officer. The Board's responsibilities also include monitoring the activities of the County and coordinating those activities and operations with the other elected officials (Assessor, Clerk, District Attorney, Justice of the Peace, Sheriff, Surveyor and Treasurer) and department heads. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

PROFILE OF LINN COUNTY (continued)

Linn County provides its citizens a wide range of services that include:

- Law enforcement and jail operations
- Property assessment, taxation, and collection
- Elections, public records, and document recording
- Criminal prosecution and support enforcement
- Juvenile detention and supervision
- Planning and development; Surveyor
- Roads and bridges maintenance and construction
- Parks operations and maintenance
- Public and behavioral health services
- Veterans services
- Law library
- County fair and conference meeting space
- Dog licensing

The annual budget serves as the foundation for the County's financial planning and control. The County adheres to Oregon Local Budget Law in the preparation, adoption, and execution of the budget. To oversee the process, the Board of Commissioners appoints the County's Budget Officer. Based on guidelines provided by the Board of Commissioners, all departments of the County submit their budget requests to the Budget Officer in March/April of each year. The Budget Officer develops a proposed budget based on these requests with the proposed budget presented to the Budget Committee, consisting of the three Commissioners and three lay members, who review, discuss, balance and approve the budget during public budget hearings in April/May. The approved budget is then adopted by the Board of Commissioners in June prior to the July 1st start of the County's fiscal year. The adopted budget sets appropriation levels at either by fund and category or by fund, department, then category, depending on the fund. Budget categories are personal services, materials & supplies, capital outlay, other requirements, and operating contingency. After adoption, elected officials and department heads may make transfers of appropriations between line items within a fund and category. However, transfers of appropriations between categories or departments require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. Linn County's economic indicators, over the twelve-month period of this audit, reflect a local economy that is still recovering from the effects of the Covid-19 pandemic. The County's unemployment dropped from 4.0% at June 30, 2022 to 3.8% at June 30, 2023. The State's unemployment rate was 3.5% at June 30, 2023. The latest Oregon Economic and Revenue Forecast, September 2023, indicates that the economy continues to be strong with growth outpacing expectations. Post pandemic growth and record inflation has been a significant concern but inflation has slowed and the consensus of economic forecasters is now that an economic soft landing is the most likely scenario going forward. Higher interest rates are still an area of concern and the total effect on economic activity is still yet to be determined.

Revenues and Expenditures. Linn County's FY 22-23 revenues have continued to be strong. Property tax collections are positively impacted by the continued increase in assessed value. State and federal pass-through dollars have provided unprecedented revenues, albeit targeted to uses generally related to the impacts of the pandemic. Linn County received a direct allocation from the American Rescue Plan Act (ARPA) in the amount of \$25.2 million divided into two tranches. Both tranches of \$12.6 million have been received and approximately \$14 million remained at the close of the fiscal year. Linn County also received \$2,695,211 from the Local Assistance and Tribal Consistency Fund, which is a general revenue enhancement program that provides additional assistance to eligible Tribal governments, eligible revenue sharing counties and eligible revenue sharing consolidated governments. These funds, authorized as part of the American Rescue Plan Act, are to be used for use on any governmental purpose except for a lobbying activity. The County's Health Services Department has also continued to receive additional funding for public health and behavior health assistance.

An expected shift in the County's service capabilities, due to future changes in two major revenue sources (State and Federal), were delayed as a result of federal legislation that extended the Federal "safety net" payments. Bureau of Land Management and Forest Service payment amounts will continue to exceed the actual sales amounts for another year. The outlook for payments from the State of Oregon is still mixed, with shifts in public safety and health payments to the County, post pandemic. A third major revenue source, the County's local option Law Enforcement Levy, remains positive. The Law Enforcement Levy, at a rate of \$2.98 per thousand, is in effect through June 30, 2026. Levy revenue collected is slowly recovering with higher property values and smaller Measure 5 compression losses as detailed below.

The County's major source of revenue remains intergovernmental receipts (\$74,944,855; 53.01% of revenue; down 6.29%). State provided funds increased to \$43,859,852 (58.53% of intergovernmental revenue), and Federal provided funds decreased to \$28,042,288 (37.42% of intergovernmental revenue). A decrease in other intergovernmental sources accounts for the overall decrease in this revenue category.

The impact on County property tax revenue (\$48,186,404 - 34.08% of revenue; up 7.57%) from Measure 5 and Measures 47/50 limits continue to constrain this revenue source with those limits continuing to have a negative impact even as growth (up 5.53%) in the County's assessed property values remain strong. The County's permanent tax rate is \$1.2736 per thousand of assessed value. The County's Law Enforcement Levy (current rate of \$2.98 per thousand) is critical to the County's revenue structure (\$33,321,137 - 69.15% of total property taxes). The Law Enforcement Levy's net amount continues to be reduced ("compressed") due to the Measure 5 limitations (by \$2,419,819 or 7.27% in the current year) but is easing with increasing property values.

The last major sector of County revenues; licenses, permits, fines & fees and charges for services categories (\$13,651,346 - 9.66% of revenue; down 6.23%) was down slightly from the prior year. The overall outlook for County revenues is fair as total revenues over the next few years continue to stabilize.

On the expense side, the cost of County operations over the long term continues to grow due mainly to increasing costs per employee. Personnel costs were up 8.98% over the prior year, mainly due to the increased PERS rates over the prior year. Materials and services costs were down 12.92%, mainly due to the reduction in covid related spending. Capital outlay spending was up 7.05%. Oregon Public Employees Retirement System (PERS) rates did not increase in FY 2022-2023 however they will increase effective July 1, 2023, with an expected approximate \$700K increase to County costs annually. PERS rates are expected to continue to increase in odd numbered years for the foreseeable future. MODA health insurance premiums increased 4.5% using full family PPO as the metric. Future health insurance costs continue to be an uncertainty given potential Federal and State legislative actions.

In summary, given Oregon's tax structure and current statutory and constitutional restrictions, Linn County's General Fund budget will continue to be difficult to balance with the same holding true for the County's total budget. This difficulty has been moderated in the past to a degree by Federal Forest payments but that revenue stream's future is still uncertain over the long run. However, the potential for a strong economic rebound and the local option Law Enforcement Levy provide a positive outlook. Oregon's tax structure and initiative/referendum processes always inject an added element of uncertainty into the State's biennium budget and have the potential to cause revenue changes for the County.

RELEVANT FINANCIAL POLICIES

Fund balances

The County does not have formal fund balance financial policies. For the past three years, the County's General Fund fund balance as a percentage of General Fund total revenues has been:

FY2023	14.52%
FY2022	8.70%
FY2021	-1.97%

The negative percentage is a result of interfund loans. In past years, the General fund has borrowed from the Road fund for various large purchases. Since that time, all but one loan has been paid off; increasing the General Fund's ending fund balance.

Property taxes

The County participates in the State's Enterprise Zone program for tax abatements. These zones incentivize new business development by temporarily abating local property taxes for a number of years. This participation promotes employment opportunities, business investment and economic competitiveness in our region.

MAJOR INITIATIVES, PROJECTS and SIGNIFICANT ACTIVITIES

Linn County continues its commitment to planning and implementing carefully measured programs and actions focused on effective service delivery, preserving and improving the infrastructure and minimizing costs through modernization and intergovernmental cooperation. The past year has continued to be active in several areas driven by both internal and external factors.

Linn County continues to look for opportunities to purchase property needed for expansion of services where appropriate. The County is exploring alternatives that include purchasing a building to relocate some services and expanding the current courthouse building by constructing an addition.

The County also continues to participate in a major State health care initiative (“Health Care Transformation”) involving the creation of Coordinated Care Organizations (CCOs). The CCO’s are providing physical, mental and dental health care for people who receive coverage under the Oregon Health Plan (Medicaid). The Health Department is providing services via contracts with the local CCO, Inter-Community Health Network (IHN) CCO. The IHN-CCO provides services in Lincoln, Benton and Linn Counties and those services continue to expand as a part of Oregon’s Health Transformation. The expansion of services has a continued impact on the Health Department’s State revenue streams, much of which now flows to the CCO and then to the Department.

The Parks Department operates 28 developed recreation facilities and over 588 camping sites across Linn County. They continue to add revenue generation improvements such as yurts and cabins. In the current year, one new yurt was completed and two more were started and were finished after year end. Park department revenues that were temporarily impacted by the pandemic have rebounded well and saw revenues increase substantially last year. In the current year, total park revenues are up another 14% compared to last year, with the bulk being online reservations revenue; up 10.5%.

Programmed road and bridge improvements by the Road Department upgraded 71 miles of the County’s road system and completed structural repairs on nine bridges.

The County prevailed in Circuit Court in the class action lawsuit with the State of Oregon involving the County’s Forest Trust Lands managed by the State. That decision was reversed on appeal in the Oregon Court of Appeals. The matter was concluded when the Oregon Supreme Court refused to hear the case.

AWARDS AND ACKNOWLEDGEMENTS

For the thirty-second consecutive year, the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Linn County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and Local government financial reports and satisfaction of both GAAP and legal requirements. In addition to being awarded the Certificate, Linn County's ACFR was judged to be easily readable and efficiently organized. The Certificate is valid for a period of one year only and this ACFR will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated services of the Treasurer and staff in Accounting, Information Technology Services, Health Department, Road Department, Assessor's Office and certain specific others including the aforementioned independent auditors. Each person contributing to the report has our sincere appreciation for the assistance given in its preparation. Credit must also be given to the Board of Commissioners for their consistent support in maintaining the highest standards of professionalism in the management of Linn County's finances. Overall, the efforts to manage the County's resources and activities wisely and efficiently to best meet the needs of Linn County's citizens have continued, building on past accomplishments while committed to producing future improvements.

Respectfully Submitted,



Darrin L. Lane
Administrative Officer



William E. Palmer
Accounting Officer



Government Finance Officers Association

**Certificate of Achievement for
Excellence in Financial Reporting**

Presented to

Linn County Government Oregon

For its Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 22, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Linn County
Albany, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, general road fund, law enforcement 4-year levy fund, health services fund, and general grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Linn County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Changes in Accounting Principle

The County adopted new accounting guidance, *GASB Statement No. 96 – Subscription-based Information Technology Arrangements* during the fiscal year under audit. Our opinions are not modified with respect to this.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Linn County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Linn County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Linn County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the introductory, statistical, and the compliance and other reports sections, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2023, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINN COUNTY, OREGON

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Linn County, we offer readers of Linn County’s financial statements this narrative overview and analysis of the financial activities of Linn County for the fiscal year ending June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report.

Financial Highlights

- The County’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$238,801,297 (*net position*). Of this amount, \$242,513,111 is the net investment in capital assets; \$57,676,691 is restricted for specific purposes and (\$61,388,505) is unrestricted.
- The government’s total net position increased by \$19,722,201 year over year, primarily due to the County decreasing its spending in the major functions of Public Safety, Health Services, and Roads during the year.
- The County’s governmental funds reported combined ending fund balances of \$68,476,180, a decrease of (\$7,249,278) in comparison with the prior year, with \$66,201,252 of this total amount, or 96.7%, *available for spending* to meet the County’s commitments and obligations (*restricted, committed, assigned, and unassigned fund balances*).

At the end of the fiscal year, the fund balance for the general fund is \$5,159,631. This balance continues to be positive as additional cash funds are received, expenses are curtailed, and interfund loan balances are paid down. Loan balances at the end of the year are as follows:

Date of Loan	Original amount borrowed	Principal Remaining	Purpose
2019-20	10,000,000	1,000,000	Millersburg property - Intermodel project
		\$ 1,000,000	Outstanding principal

The outstanding interfund loan principal of \$1,000,000 is owed by the general fund to the roads fund. This remaining principal was re-amortized over a 5-year period. Linn County has no general obligation bond debt as of June 30, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Linn County's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary and other information in addition to the basic financial statements.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of Linn County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Linn County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Linn County is improving or deteriorating.

The *statement of activities* presents information that shows how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Linn County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Linn County has no funds considered as business type activities. The governmental activities of Linn County include general administration and support, local government services, public safety, health services, community development, and highways and streets.

The government-wide financial statements can be found on pages 1 through 3 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Linn County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Linn County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as, on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental funds: (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Linn County maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, General Roads, Law Enforcement 4-Year Levy, Health Services and the General Grants Funds, all of which are considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation under non-major funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* located in the supplementary information section of this report.

Linn County adopts an annual budget and appropriates expenditures for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 4 through 30 of this report.

Proprietary funds: Linn County maintains one type of proprietary fund, an *internal service fund*. This type of fund is used to accumulate and allocate costs internally among Linn County's various functions. Linn County uses its internal service fund to account for its various insurance coverage premiums as well as its unemployment related transactions. Since these transactions predominantly benefit governmental rather than business-type functions, the activities of this fund have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Internal service fund of Linn County.

The proprietary fund financial statements can be found on pages 31 through 33 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government. Fiduciary funds are not presented in the government-wide financial statements because the resources of those are not available to support Linn County's own programs.

The fiduciary fund financial statements can be found on pages 34 and 35 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The table of contents indicates where notes to the financial statements are located in this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning Linn County's selection to use the "modified approach" to account for the majority of the infrastructure assets. As a result, there is a 5-year planned versus actual road maintenance cost schedule located in this section of the report.

Additional RSI schedules in this section are:

- Schedule of Changes in Total Other Post Employment Benefit (OPEB) Liability and related Ratios - Healthcare,
- Schedule of the Proportional Share of the Net OPEB Liability (Asset) – Retiree Health Insurance Account (RHIA),
- Schedule of OPEB contributions – RHIA,
- Schedule of the Proportionate Share of the Net Pension Liability for PERS, and a
- Schedule of PERS pension contributions.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of Linn County, assets and deferred outflows exceeded liabilities and deferred inflows by \$238,801,297 at the close of the fiscal year.

By far, the largest portion of Linn County's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and right-to-use); less any related debt used to acquire those assets that is still outstanding. Linn County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Linn County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

The balance of *restricted* and *unrestricted net position* may be used to meet the County's ongoing obligations to citizens and creditors. The County's net position increased by \$19,722,201 during the current fiscal year as shown below. This is due to an overall net increase in governmental activities during the year.

Linn County Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 103,562,665	\$ 88,024,407
Lease receivable	7,882,170	8,122,613
OPEB asset - RHIA	1,432,662	1,145,544
Capital assets, net	246,663,473	237,562,504
Total assets	<u>359,540,970</u>	<u>334,855,068</u>
Deferred outflows (pension & OPEB)	<u>26,765,636</u>	<u>28,947,189</u>
Total assets and deferred outflows	<u>386,306,606</u>	<u>363,802,257</u>
Liabilities		
Current and other liabilities	11,498,056	10,154,243
Net pension and OPEB liabilities	76,559,531	58,077,183
Lease and SBITA obligations	4,150,362	572,921
Compensated absences	5,413,239	5,029,894
Total liabilities	<u>97,621,188</u>	<u>73,834,241</u>
Deferred inflows (pension and OPEB)	<u>49,441,130</u>	<u>54,154,825</u>
Total liabilities and deferred inflows	<u>147,062,318</u>	<u>127,989,066</u>
Net Position		
Net investment in capital and leased assets	242,513,111	236,989,583
Restricted	57,676,691	43,120,596
Unrestricted	<u>(61,388,505)</u>	<u>(44,296,988)</u>
Total net position	<u>\$ 238,801,297</u>	<u>\$ 235,813,191</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

Governmental activities during the year increased Linn County's net position by \$19,722,201. Key elements of this change are as follows:

Linn County's Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program		
Charges for services	\$ 14,589,527	\$ 15,230,678
Operating grants and contributions	71,429,859	74,976,830
General		
Property taxes	48,953,195	44,120,810
Grants and contributions not restricted to specific programs	4,692,525	4,925,540
Other	5,115,907	3,331,928
Total revenues	<u>144,781,013</u>	<u>142,585,786</u>
Expenses		
General government	14,569,910	23,096,029
Local government services	5,778,744	6,017,295
Public safety	46,452,953	42,240,723
Health services	34,014,010	26,809,817
Community development	9,822,029	9,516,065
Highways and streets	14,421,166	13,602,329
Total expenses	<u>125,058,812</u>	<u>121,282,258</u>
Increase (decrease) in net position	19,722,201	21,303,528
Net position - beginning of the year	235,813,191	214,509,663
Beginning net position adjustment	(16,734,095)	-
Net position - end of the year	<u>\$ 238,801,297</u>	<u>\$ 235,813,191</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

- Total revenues increased by \$2,195,227 over the prior fiscal year. This increase, 1.54%, was primarily due to increased property tax collections, increased interest income, along with decreases in all other categories in the current year.
- Overall, Countywide expenses increased by \$3,776,554 from the previous year. This increase, 3.12%, was mainly due to Public safety and Health function increases, a decrease in General administration, with smaller adjustments in remaining functions.

Governmental Funds Financial Analysis

As noted earlier, Linn County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of Linn County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Linn County's financing requirements. In particular, the restricted, committed, and assigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, Linn County's governmental funds reported combined ending fund balances of \$68,476,180, a decrease of (\$7,249,278) compared to the prior year. The bulk of the decrease is due mostly to additional capital outlay because of implementing GASB 96 this year. Of this total fund balance amount, \$63,316,549 constitutes the non-spendable, restricted, committed, and assigned, fund balances which are not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period, to pay debt service or for a variety of other restricted purposes.

The General fund is the chief operating fund of Linn County. At the end of the current fiscal year, the unassigned fund balance was \$5,159,631, which is a \$2,052,593 increase in fund balance from current year activity.

Key factors in this change are as follows:

- After taking out the capital outlay effect of GASB 96, General fund revenues and expenses were relatively similar compared to the prior year. The real change between the two years was the amount of beginning balance that rolled into each year. The prior year rolled in a negative (\$747,790), while the current year rolled in a positive \$3,107,138. This accounts for its increased ending fund balance compared to the prior year.
- The General fund continues to pay down its outstanding interfund loan balances with the Road fund. The General Fund paid down \$3,975,621 in the current year, paying off several interfund loans. There is one remaining interfund loan with a principal balance of \$1,000,000 at June 30, 2023. An additional expenditure increase was the recording of SBITA capital outlay due to the implementation of GASB 96.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds Financial Analysis (continued)

Linn County considers four additional funds to be classified as major funds, the General Road fund, Law Enforcement 4-Year Levy fund, Health Services fund and the General Grants fund. Each major fund is presented in a separate column on the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance of the governmental funds statements.

General Road – Operations of the County road department are shown in this fund. The major source of revenue is the state apportionment of motor vehicle fees. Expenditures are primarily for road construction and maintenance. The ending fund balance was \$24,691,862 at year-end. This balance only increased by \$506,447 during the year; so the large ending fund balance was largely due to a strong beginning fund balance that rolled into the current year, plus the large interfund loan repayments that were received from the General fund during the year.

Law Enforcement 4-Year Levy – The voter approved option levy of November 2021, took effect July 1, 2022, and will run for another 4 years. This new levy will be at a rate of \$2.98 per thousand of assessed value. The levy allows for continued support of the County's law enforcement, including all sheriff departments, the district attorney, and juvenile departments.

The ending fund balance of \$8,494,372 increased by \$2,111,767 over the prior year due to results from current operations. The LE fund property tax revenue increased by \$2,844,963, from \$30,476,174 in the prior year, to \$33,321,137 in the current year. This is mainly due to the effect of the increased option rate of the new levy. Additionally, property tax revenue was significantly reduced (\$2,419,819) due to compression of the overall property tax ceiling imposed by Measure 5. Expenditures increased by \$3,823,669 from \$28,511,142 in the prior year to \$32,334,811 in the current year due to increased personal service expenditures, plus the recording of SBITA capital outlay.

Health Services – County health related activities are recorded in the Health services fund. The majority of resources for this fund come from intergovernmental agencies; mainly state and federal sources. County provided health care services rise and fall as a function of federal and state government funding levels. The ending fund balance of \$22,271,404 represents an increase of \$4,743,207 from the prior year. In the current year, overall revenues increased by \$8,168,281 from \$34,391,391 in the prior year, to \$42,559,672 in the current year. In addition, expenditures increased by \$8,019,211 from \$27,334,474 in the prior year to \$35,353,685 in the current year. This increase in spending was in personal services and materials and services.

General Grants – This fund is used to account for revenues from special taxes, grants and other sources for which expenditures are restricted by law. The ending fund balance of \$5,903,377 represents a decrease of (\$16,613,068) from the prior year. The majority of this decrease (\$15,629,741) is due to the recording of a beginning balance adjustment related to unspent grant revenues in the current year. The remainder of the decrease is from current activity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds Financial Analysis (continued)

Proprietary fund (Internal Service fund): Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Linn County uses its internal service fund to account for its unemployment insurance claims, and all County insurance policies, including general liability, auto, property, and others. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights

Differences between the adopted budget and the final budget are the result of budget transfers or receipt of unanticipated revenues. Budget transfers and revenue appropriations are made as circumstances arise and the need to move appropriations or appropriate revenue is necessary. All budget transfer or revenue appropriation are approved by the Board through resolution.

Actual receipts in the General Fund were \$268,177 more than anticipated and actual expenditures were \$8,552,611 less than appropriations, demonstrating a generally prudent spending policy. Overall, personal service expenditures were \$2,847,940 under budget, material and services were \$4,213,423 under budget, and capital outlay was \$1,491,248 under budget.

Capital Assets, Leased Assets, and Debt Administration

Capital assets: Linn County's investment in capital assets for its governmental type activities as of June 30, 2023 amounted to \$242,513,111 (net of accumulated depreciation and amortization, and less any related debt) and includes land, buildings, machinery, equipment, right-to-use assets, park facilities, infrastructure, roads, and bridges.

In fiscal 2002-03 the County added its infrastructure assets to its capital assets as per GASB 34. It was also this year that Linn County adopted the modified approach for its valuation and accounting presentation of infrastructure assets.

In the current fiscal year, the County added \$5,523,528 to its capital assets, net of retirements, adjustments, current depreciation and amortization, less any related debt.

Major capital asset events during the fiscal year include:

- \$4,466,131 of County subscription right-to-use intangible assets were capitalized with the implementation of GASB 96.
- \$5,927,152 capitalized by the Road department for bridge and roads infrastructure projects.
- \$1,426,343 capitalized by the Road department for equipment.
- \$971,927 capitalized by the Sheriff's department for vehicles and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Capital Assets, Leased Assets, and Debt Administration (continued)

The County's capital assets are as follows:

Linn County Capital Assets, net of related debt

	Governmental Activities	
	2023	2022
Land	\$ 21,396,463	\$ 21,396,463
Buildings and improvements	33,728,494	34,566,646
Equipment	16,428,902	15,290,998
Infrastructure	160,161,536	155,194,479
Intangibles	1,648,346	2,049,968
Construction in progress	9,035,020	8,479,212
Right-to-use assets, net of related debt	114,350	11,817
Totals	<u>\$ 242,513,111</u>	<u>\$ 236,989,583</u>

The latest pavement inspection occurred in 2022 and was performed by Metropolitan Transportation Commission. Their inspection indicated the County's PCI (pavement condition index) remained very similar to overall pavement conditions compared to its 2020 inspection.

Arterial roads weighted average PCI in 2022 was 76.6 compared to 83.2 in 2020; collector roads weighted average PCI in 2022 was 81.5 compared to 80.9 in 2020, and residential/local roads weighted average PCI in 2022 was 76.4 compared to 78.5 in 2020.

The fluctuations in the PCI are expected as the roads depreciate over time coupled with the County's annual road maintenance. The Road Department makes road improvements every year, and current levels remain well above the County's goal of a 65 PCI or better. The next scheduled pavement inspection cycle is summer 2024.

The current weighted average assessed condition of 78.2 compares favorably when compared to the Linn County policy of maintaining its road condition level at good to better (PCI of 65 or above) on a weighted average basis.

Additional information on capital assets can be found in the letter of transmittal, and in the footnotes to the financial statements in this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Long-term obligations: The only debt obligations Linn County has are from the implementation of GASB 87 and 96. See long-term obligations footnote for more information. The County has no other long-term debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total assessed valuation, which would make the current debt limitation for Linn County \$247,880,981. (See debt capacity schedules in statistical section of this report).

Economic Factors

Per the Oregon employment department, at June 30, 2023 the seasonally adjusted unemployment rate for Linn County was 4.0 percent. This rate is the same rate from June of last year. The 4.0 rate is higher than the State of Oregon as a whole at 3.5 percent, and nationally which was at a 3.6 percent unemployment rate at June 30th. In Oregon today and across most of the country employment is above the pre-pandemic employment levels of early 2020.

The latest Oregon Economic and Revenue Forecast, dated November 15, 2023, indicates that the economy is rebalancing. Inflation is still above the Federal Reserve's target rate, however pressures have eased with productivity gains and more people looking for work means the labor market is no longer overheated. Inflation is expected to slow in the year ahead, where the Federal Reserve expects to implement a couple of small interest rate cuts in the second half of 2024.

Oregon's economic outlook calls for a soft landing. Local economic growth is driven by a return to full employment, combined with strong business investment and productivity gains. Recently released Census data show that recovery from the pandemic has been inclusive and broad-based. Looking forward, a modest rebound in migration in the years ahead will allow local businesses to hire and expand at a faster pace than the nation. If migration does not return as expected, Oregon's economy will grow at a slower rate than the baseline.

Oregon's state revenue outlook is expected to decline significantly in the months ahead as corporate profits and business income return to trend, and a record personal income tax kicker credit is issued. Although the revenue outlook appears on track now, considerable uncertainty remains as the revenue boom seen in the 2021 tax year is unlikely to be repeated.

- See the letter of transmittal for additional economic factors.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Requests for Information

This financial report is designed to provide a general overview of Linn County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bill Palmer, Accounting Officer, Linn County, 300 4th Ave, SW, PO Box 100, Albany, OR 97321.

BASIC FINANCIAL STATEMENTS

LINN COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2023

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and investments	\$ 92,880,271
Receivables, net	3,834,388
Due from other governments	3,830,254
Prepaid expense	174,266
Lease receivable	7,882,170
Inventories	2,274,928
Investment in joint venture	125,567
Net other postemployment benefit asset	1,432,662
Capital assets:	
Land, infrastructure, and construction in progress, not being depreciated	151,282,896
Other capital assets, net	<u>95,380,577</u>
TOTAL ASSETS	<u>359,097,979</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	26,170,121
Other postemployment benefit related items	<u>595,515</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>26,765,636</u>
 <u>LIABILITIES</u>	
Accounts payable	2,550,623
Due to other governments	48,004
Accrued payroll, payroll taxes and benefits	8,524,712
Claims liability	374,717

See notes to basic financial statements
Statement continued on next page

STATEMENT OF NET POSITION (Continued)**LIABILITIES (Continued)**Governmental
Activities

Long-term obligations:	
Due within one year:	
Compensated absences	\$ 3,940,274
Lease payable	212,722
SBITA payable	595,498
Due in more than one year:	
Proportionate share of net pension liability	74,572,893
Other postemployment benefit liability	1,986,638
Compensated absences	1,472,965
Lease payable	274,312
SBITA payable	3,067,830
TOTAL LIABILITIES	97,621,188
DEFERRED INFLOWS OF RESOURCES	
Pension related items	22,304,603
Other postemployment benefit related items	1,501,225
Deferred lease resources	7,516,622
Unearned grant revenue	18,118,680
TOTAL DEFERRED INFLOWS OF RESOURCES	49,441,130
<u>NET POSITION</u>	
Net investment in capital assets	242,513,111
Restricted for:	
Highways and streets	24,336,919
Law enforcement 4-year levy	8,494,372
Health services	23,412,738
OPEB RHIA asset	1,432,662
Unrestricted	(61,388,505)
TOTAL NET POSITION	\$ 238,801,297

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs:	Expenses	Program Revenues		Net (Expense)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
General administration and support	\$ 14,468,609	\$ 1,246,972	\$ 7,521,229	\$ (5,700,408)
Local government services	5,778,744	1,110,760	1,467,520	(3,200,464)
Public safety	46,452,953	2,827,854	6,549,533	(37,075,566)
Health services	34,014,010	2,772,140	36,258,025	5,016,155
Community development	9,822,029	6,398,959	1,062,317	(2,360,753)
Highways and streets	14,421,166	232,842	18,571,235	4,382,911
Interest on long-term debt	101,301	-	-	(101,301)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 125,058,812	\$ 14,589,527	\$ 71,429,859	(39,039,426)
General revenues:				
Property taxes levied for:				
General purposes				48,953,195
Grants and contributions not restricted to specific programs				4,692,525
Interest and investment earnings				3,306,689
Miscellaneous				1,809,218
TOTAL GENERAL REVENUES				58,761,627
CHANGE IN NET POSITION				19,722,201
NET POSITION - Beginning of year				235,813,191
Beginning balance adjustment				(16,734,095)
NET POSITION - Beginning of year, as restated				219,079,096
NET POSITION - End of year				\$ 238,801,297

See notes to basic financial statements

LINN COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2023

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 9,454,033	\$ 23,179,791	\$ 10,747,003	\$ 24,351,687	\$ 21,710,665	\$ 1,808,860	\$ 91,252,039
Receivables, net	681,277	15,942	1,262,069	1,239,182	57,665	-	3,256,135
Due from other governments, net	1,523,338	361,772	-	785,157	994,274	165,713	3,830,254
Due from other funds	29,002	25,340	-	29,692	1,500	-	85,534
Interest receivable	63,199	143,609	66,582	150,869	134,507	9,399	568,165
Leases receivable	7,882,170	-	-	-	-	-	7,882,170
Advances to other funds	-	1,000,000	-	-	-	-	1,000,000
Inventories	-	2,274,928	-	-	-	-	2,274,928
TOTAL ASSETS	\$ 19,633,019	\$ 27,001,382	\$ 12,075,654	\$ 26,556,587	\$ 22,898,611	\$ 1,983,972	\$ 110,149,225
LIABILITIES							
Accounts payable	\$ 311,456	\$ 1,178,382	\$ 199,330	\$ 160,110	\$ 686,578	\$ 13,570	\$ 2,549,426
Due to other governments	26,153	11,626	-	-	460	-	38,239
Due to other funds	72,944	35,096	30,219	7,229	126	1,921	147,535
Advances from other funds	1,000,000	-	-	-	-	-	1,000,000
Unearned revenue	295,928	333,224	50,391	825,377	575,869	7,127	2,087,916
Accrued payroll, payroll taxes and benefits	3,362,926	751,192	2,151,181	2,151,133	102,460	5,820	8,524,712
TOTAL LIABILITIES	\$ 5,069,407	\$ 2,309,520	\$ 2,431,121	\$ 3,143,849	1,365,493	\$ 28,438	\$ 14,347,828

See notes to basic financial statements
Statement continued on next page

BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	\$ 539,754	\$ -	\$ 1,150,161	\$ -	\$ -	\$ -	\$ 1,689,915
Unavailable revenue - leases	7,516,622	-	-	-	-	-	7,516,622
Unearned grant revenue	1,347,605	-	-	1,141,334	15,629,741	-	18,118,680
TOTAL DEFERRED INFLOWS OF RESOURCES	9,403,981	-	1,150,161	1,141,334	15,629,741	-	27,325,217
Non spendable:							
Inventories	-	2,274,928	-	-	-	-	2,274,928
Restricted for:							
Roads	-	21,416,934	-	-	-	-	21,416,934
Law Enforcement Levy	-	-	8,494,372	-	-	-	8,494,372
Health Services	-	-	-	22,271,404	-	-	22,271,404
Grants/ nonmajor funds	-	-	-	-	5,903,377	1,955,534	7,858,911
Committed to:							
Interfund loan commitments	-	1,000,000	-	-	-	-	1,000,000
Unassigned	5,159,631	-	-	-	-	-	5,159,631
TOTAL FUND BALANCES	5,159,631	24,691,862	8,494,372	22,271,404	5,903,377	1,955,534	68,476,180
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 19,633,019	\$ 27,001,382	\$ 12,075,654	\$ 26,556,587	\$ 22,898,611	\$ 1,983,972	\$ 110,149,225

See notes to basic financial statements

LINN COUNTY, OREGON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 68,476,180
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets, net		246,663,473
Lease and SBITA obligations are shown as financial resources in the funds but are recognized as liabilities on the statement of net position. Those changes are as follows:		
Lease payable	(487,034)	
SBITA payable	(3,663,328)	(4,150,362)
The investment in joint venture is not a financial resource and, therefore, is not reported in the funds.		125,567
Long term pension/OPEB liabilities are not payable in the current year are not reported as governmental fund liabilities. Also actuarial changes create deferred outflows and inflows of resources. These differences consist of:		
Other post employment benefit asset	1,432,662	
Pension deferred outflows of resources	26,170,121	
Other postemployment benefit deferred outflows of resources	595,515	
Net pension liability	(74,572,893)	
Other postemployment benefit liability	(1,986,638)	
Pension deferred inflows of resources	(22,304,603)	
Other postemployment benefit deferred inflows of resources	(1,501,225)	(72,167,061)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(5,413,239)
Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		3,785,502
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,481,237
Net position of governmental activities		<u>\$ 238,801,297</u>

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2023

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 14,865,267	\$ -	\$ 33,321,137	\$ -	\$ -	\$ -	\$ 48,186,404
Intergovernmental	9,688,043	19,714,662	-	38,564,429	5,497,371	1,480,350	74,944,855
Charges for services	5,099,275	123,746	-	1,994,225	555,493	538,953	8,311,692
Licenses, permits, fines and fees	4,058,838	145,207	-	836,996	167,263	131,350	5,339,654
Interest and investments	627,808	661,296	416,170	759,107	310,545	65,809	2,840,735
Interest, interfund loan	-	76,851	-	-	-	-	76,851
Miscellaneous	1,183,584	18,523	418	404,915	66,971	22,097	1,696,508
TOTAL REVENUES	35,522,815	20,740,285	33,737,725	42,559,672	6,597,643	2,238,559	141,396,699
EXPENDITURES							
General administration and support	11,110,613	-	-	-	2,509,189	-	13,619,802
Local government services	4,602,166	-	-	-	-	-	4,602,166
Public safety	13,328,587	-	29,758,725	-	2,525,109	237,231	45,849,652
Health services	-	-	-	33,963,116	-	-	33,963,116
Community development	7,994,146	-	-	-	516,405	783,234	9,293,785
Highways and streets	-	12,758,150	-	-	-	-	12,758,150
Apportionments to school districts	-	-	-	-	-	1,062,740	1,062,740
Debt service	464,038	23,703	399,956	214,245	-	9,101	1,111,043
Capital outlay	2,612,830	6,788,413	2,176,130	1,176,324	1,369,671	151,102	14,274,470
Interfund loan interest expense	76,851	-	-	-	-	-	76,851
TOTAL EXPENDITURES	40,189,231	19,570,266	32,334,811	35,353,685	6,920,374	2,243,408	136,611,775
Excess (deficiency) of revenues over expenditures	(4,666,416)	1,170,019	1,402,914	7,205,987	(322,731)	(4,849)	4,784,924
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	18,865	93,845	-	-	-	-	112,710
Lease financing	22,915	21,466	81,721	-	-	-	126,102
SBITA financing	1,844,803	134,096	1,574,117	883,643	-	24,422	4,461,081
Transfers in	5,571,639	-	-	510,700	297,878	198,613	6,578,830
Transfers out	(739,313)	(912,979)	(946,985)	(2,752,769)	(958,474)	(268,310)	(6,578,830)
TOTAL OTHER FINANCING SOURCES (USES)	6,718,909	(663,572)	708,853	(1,358,426)	(660,596)	(45,275)	4,699,893
Net change in fund balances	2,052,493	506,447	2,111,767	5,847,561	(983,327)	(50,124)	9,484,817
Fund balances at beginning of year	3,107,138	24,185,415	6,382,605	17,528,197	22,516,445	2,005,658	75,725,458
Beginning balance adjustments	-	-	-	(1,104,354)	(15,629,741)	-	(16,734,095)
Fund balances at beginning of year-as restated	3,107,138	24,185,415	6,382,605	16,423,843	6,886,704	2,005,658	58,991,363
Fund balances at end of year	\$ 5,159,631	\$ 24,691,862	\$ 8,494,372	\$ 22,271,404	\$ 5,903,377	\$ 1,955,534	\$ 68,476,180

See notes to basic financial statements

LINN COUNTY, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 9,484,817
<p>Governmental funds report capital outlays as expenditures while on the statement of activities the cost of these assets is allocated over the estimated life of the assets and reported as depreciation expense. The difference between these two amounts is:</p>		
Current expenditures for capital assets	14,431,834	
Less current year depreciation and amortization	<u>(5,173,501)</u>	9,258,333
<p>Governmental funds report lease and SBITA financings as expenditures, whereas in the Statement of Activities these are shown as assets and liabilities. The effect of this difference is:</p>		
Proceeds from lease and SBITA obligations	(4,592,233)	
Principal payments on lease and SBITA obligations	<u>1,009,742</u>	(3,582,491)
<p>In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of capital assets sold.</p>		
		(152,314)
<p>In the statement of activities, revenue is recognized when earned. However, in the governmental funds, revenues are reported when they are measurable and available. This results in differences in amounts reported for deferred revenue items.</p>		
		2,389,398
<p>Some pension and other liability changes reported in the statement of activities, including pension changes to deferred outflows and inflows either do not provide current financial resources or do not require the use of current financial resources and therefore are not reported as revenue or (expenditure) in the governmental funds:</p>		
(Increase) decrease in compensated absences		(383,345)
(Increase) decrease to changes in Pension and OPEB accounts, net		1,914,713
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income/(loss) of the internal service funds is reported with governmental activities.</p>		
		784,031
<p>The change in investment in joint venture is not recorded in the fund statements</p>		
		<u>9,059</u>
Change in net position of governmental activities		<u>\$ 19,722,201</u>

See notes to basic financial statements

LINN COUNTY, OREGON

GENERAL FUND

The General fund is used to account for the financial resources of the County that are not accounted for in any other fund.

Principal sources of revenues are from state, federal, and other intergovernmental sources; property taxes; charges for services; and licenses, permits, fines and fees.

Primary expenditures are for general administration, local government services, public safety and community development. Significant operating transfers are made to other funds.

LINN COUNTY, OREGON

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 14,624,694	\$ 14,624,694	\$ 15,065,552	\$ 440,858
Intergovernmental	10,021,207	10,023,207	10,660,958	637,751
Charges for services	5,066,698	5,281,698	5,099,275	(182,423)
Licenses, permits, fines and fees	4,447,947	4,667,947	4,028,703	(639,244)
Interest earnings	26,000	26,000	322,842	296,842
Miscellaneous	1,239,811	1,239,811	1,096,762	(143,049)
Interdepartmental transfers in	432,626	432,626	290,068	(142,558)
TOTAL REVENUES	35,858,983	36,295,983	36,564,160	268,177
EXPENDITURES				
Commissioners				
Personal services	565,605	565,605	546,456	19,149
Materials and services	15,125	15,125	12,417	2,708
Total Commissioners	580,730	580,730	558,873	21,857
Assessment and Taxation				
Personal services	2,630,847	2,630,847	2,565,535	65,312
Materials and services	278,550	278,550	258,884	19,666
Capital outlay	5	5	-	5
Total Assessment and Taxation	2,909,402	2,909,402	2,824,419	84,983
Clerk				
Personal services	1,386,100	1,386,100	1,190,292	195,808
Materials and services	459,091	459,091	362,461	96,630
Total Clerk	1,845,191	1,845,191	1,552,753	292,438

See notes to basic financial statements
 Statement continued on next page

GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Treasurer				
Personal services	\$ 405,254	\$ 405,254	\$ 381,722	\$ 23,532
Materials and services	16,050	16,050	13,501	2,549
Total Treasurer	421,304	421,304	395,223	26,081
Surveyor				
Personal services	881,171	881,171	670,344	210,827
Materials and services	17,776	17,776	9,912	7,864
Capital outlay	1	1	-	1
Total Surveyor	898,948	898,948	680,256	218,692
Veterans' Services				
Personal services	375,007	375,007	316,248	58,759
Materials and services	56,200	121,168	91,015	30,153
Capital outlay	1	1	-	1
Total Veterans' Services	431,208	496,176	407,263	88,913
Planning & Building				
Personal services	2,105,028	2,105,028	1,586,641	518,387
Materials and services	251,100	251,100	207,254	43,846
Capital outlay	31,000	31,000	-	31,000
Total Planning & Building	2,387,128	2,387,128	1,793,895	593,233
Parks and Recreation				
Personal services	2,043,698	2,043,698	1,904,487	139,211
Materials and services	1,121,255	1,121,255	1,121,255	-
Capital outlay	503,595	503,595	325,802	177,793
Total Parks and Recreation	3,668,548	3,668,548	3,351,544	317,004

See notes to basic financial statements
Statement continued on next page

GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Historical				
Personal services	\$ 35,108	\$ 35,108	\$ 26,290	\$ 8,818
Materials and services	27,350	27,350	23,183	4,167
Capital outlay	20,000	20,000	20,000	-
Total Historical	82,458	82,458	69,473	12,985
Sheriff - Support Services				
Personal services	1,175,821	1,290,821	1,255,131	35,690
Materials and services	733,123	733,123	714,620	18,503
Capital outlay	1	1	-	1
Total Sheriff - Support Services	1,908,945	2,023,945	1,969,751	54,194
Sheriff - 911 Emergency Communication				
Personal services	2,834,162	2,629,162	2,235,266	393,896
Materials and services	238,307	238,307	160,866	77,441
Capital outlay	2	2	-	2
Total Sheriff - 911 Emergency Communication	3,072,471	2,867,471	2,396,132	471,339
Sheriff - Civil				
Personal services	1,567,153	1,567,153	1,367,579	199,574
Materials and services	110,450	110,450	89,260	21,190
Capital outlay	1	1	-	1
Total Sheriff - Civil	1,677,604	1,677,604	1,456,839	220,765
Sheriff - Criminal				
Personal services	2,200,164	2,200,164	2,044,040	156,124
Materials and services	48,020	48,020	6,970	41,050
Capital outlay	1	1	-	1
Total Sheriff - Criminal	2,248,185	2,248,185	2,051,010	197,175

See notes to basic financial statements
Statement continued on next page

GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Justice Court - Lebanon				
Personal services	\$ 512,975	\$ 512,975	\$ 498,046	\$ 14,929
Materials and services	455,100	675,100	606,381	68,719
Capital outlay	5	5	-	5
Total Justice Court - Lebanon	<u>968,080</u>	<u>1,188,080</u>	<u>1,104,427</u>	<u>83,653</u>
District Attorney				
Personal services	1,226,882	1,226,882	1,179,464	47,418
Materials and services	480	480	480	-
Total District Attorney	<u>1,227,362</u>	<u>1,227,362</u>	<u>1,179,944</u>	<u>47,418</u>
Medical Examiner				
Personal services	159,175	159,175	150,045	9,130
Materials and services	17,200	17,200	7,353	9,847
Total Medical Examiner	<u>176,375</u>	<u>176,375</u>	<u>157,398</u>	<u>18,977</u>
Juvenile				
Personal services	805,528	805,528	754,132	51,396
Materials and services	66,042	66,042	46,410	19,632
Total Juvenile	<u>871,570</u>	<u>871,570</u>	<u>800,542</u>	<u>71,028</u>
Sheriff - Corrections				
Personal services	1,746,899	1,791,899	1,776,376	15,523
Materials and services	224,833	439,833	206,418	233,415
Total Sheriff - Corrections	<u>1,971,732</u>	<u>2,231,732</u>	<u>1,982,794</u>	<u>248,938</u>
Sheriff - Animal control				
Personal services	601,546	646,546	633,330	13,216
Materials and services	92,530	92,530	82,079	10,451
Capital outlay	2	2	-	2
Total Sheriff - Animal control	<u>694,078</u>	<u>739,078</u>	<u>715,409</u>	<u>23,669</u>

See notes to basic financial statements
Statement continued on next page

GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
General Administration				
Personal services	\$ 1,339,906	\$ 1,339,906	\$ 1,329,215	\$ 10,691
Materials and services	200,616	200,616	113,459	87,157
Capital outlay	1	1	-	1
Total General Administration	<u>1,540,523</u>	<u>1,540,523</u>	<u>1,442,674</u>	<u>97,849</u>
Information Technology				
Personal services	2,140,220	2,260,620	2,034,811	225,809
Materials and services	374,739	374,739	267,701	107,038
Capital outlay	163,000	163,000	161,330	1,670
Total Information Technology	<u>2,677,959</u>	<u>2,798,359</u>	<u>2,463,842</u>	<u>334,517</u>
General Services				
Personal services	1,482,014	1,482,014	1,421,173	60,841
Materials and services	933,208	933,208	907,260	25,948
Capital outlay	809,738	809,738	799,367	10,371
Total General Services	<u>3,224,960</u>	<u>3,224,960</u>	<u>3,127,800</u>	<u>97,160</u>
Printing				
Personal services	304,109	304,109	237,011	67,098
Materials and services	127,140	127,140	125,799	1,341
Capital outlay	6,501	6,501	2,469	4,032
Total Printing	<u>437,750</u>	<u>437,750</u>	<u>365,279</u>	<u>72,471</u>
County Attorney				
Personal services	717,879	717,879	695,016	22,863
Materials and services	28,884	28,884	16,775	12,109
Total County Attorney	<u>746,763</u>	<u>746,763</u>	<u>711,791</u>	<u>34,972</u>

See notes to basic financial statements
Statement continued on next page

GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Geographic System (GIS)				
Personal services	\$ 441,907	\$ 441,907	\$ 393,844	\$ 48,063
Materials and services	49,884	49,884	35,629	14,255
Capital outlay	1	1	-	1
Total Geographic System (GIS)	<u>491,792</u>	<u>491,792</u>	<u>429,473</u>	<u>62,319</u>
Expo				
Personal services	1,008,218	828,218	709,314	118,904
Materials and services	599,300	779,300	646,531	132,769
Capital outlay	302,900	302,900	197,690	105,210
Total Expo	<u>1,910,418</u>	<u>1,910,418</u>	<u>1,553,535</u>	<u>356,883</u>
Non-departmental				
Personal services	289,559	289,559	172,587	116,972
Materials and services	5,772,759	5,768,738	2,643,763	3,124,975
Capital outlay	1,190,001	1,190,001	28,850	1,161,151
Total Non-departmental	<u>7,252,319</u>	<u>7,248,298</u>	<u>2,845,200</u>	<u>4,403,098</u>
All Departments-Total				
Personal services	30,981,935	30,922,335	28,074,395	2,847,940
Materials and services	12,315,112	12,991,059	8,777,636	4,213,423
Capital outlay	3,026,756	3,026,756	1,535,508	1,491,248
Total All Departments	<u>46,323,803</u>	<u>46,940,150</u>	<u>38,387,539</u>	<u>8,552,611</u>
Contingency	<u>1,199,266</u>	<u>1,038,866</u>	<u>-</u>	<u>1,038,866</u>
Interdepartmental transfers out	<u>432,626</u> (1)	<u>432,626</u>	<u>290,068</u>	<u>142,558</u>
TOTAL EXPENDITURES	<u>47,955,695</u>	<u>48,411,642</u>	<u>38,677,607</u>	<u>9,734,035</u>
Excess (deficiency) of revenues over expenditures	<u>(12,096,712)</u>	<u>(12,115,659)</u>	<u>(2,113,447)</u>	<u>10,002,212</u>

See notes to basic financial statements
Statement continued on next page

GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 6,424,760	\$ 6,424,760	\$ 5,571,639	\$ (853,120)
Transfers out	(844,554) (1)	(844,554)	(739,313)	105,241
Sale of capital assets	3,035,500	3,035,500	18,865	(3,016,635)
Loan repayments to other funds	(5,052,475) (1)	(5,056,496)	(4,052,472)	1,004,024
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,563,231</u>	<u>3,559,210</u>	<u>798,719</u>	<u>(2,760,490)</u>
Net change in fund balance	(8,533,481)	(8,556,449)	(1,314,728)	7,241,722
Fund balance at beginning of year	<u>8,533,481</u>	<u>8,556,449</u>	<u>9,721,341</u>	<u>1,164,892</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,406,613</u>	<u>\$ 8,406,614</u>

(1) Appropriation level total is \$6,329,655

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 8,406,613
Year-end cash adjustment	19,945
Fair market value adjustment on investments	(11,104)
Property taxes receivable and available	52,598
Accounts receivable and available	63,985
Due from other governments and available	1,299,876
Due from other funds	29,002
Interest accrued and available	15,323
Net lease activity	365,548
Accounts payable	(311,456)
Due to other governments	(26,153)
Due to other funds	(72,944)
Unearned grant revenue	(1,347,605)
Accrued payroll, payroll taxes and benefits	(2,323,997)
Loan advances due to other funds	(1,000,000)
Fund balance (GAAP basis) at end of year	<u>\$ 5,159,631</u>

See notes to basic financial statements

LINN COUNTY, OREGON

MAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The following special revenue funds are reported as major funds by the County:

General Road – Operations of the County Road Department are primarily shown in this fund. Major sources of revenue include state motor vehicle fees and other intergovernmental sources. Expenditures are primarily for road construction and maintenance.

Law Enforcement 4-Year Levy – This fund is supported by a four-year local option property tax levy. This levy was renewed by voters in November 2021 with an effective date of July 1, 2022. The new option levy assesses Linn County residents at a tax rate of \$2.98 per \$1,000 of assessed property value. The purpose of this fund, and its expenditures, are for law enforcement, jail operations, and other public safety operations.

Health Services – County health related activities are recorded in the Health Services Fund. Resources of this fund are primarily from state, federal, and other intergovernmental sources. There are also operating transfers from the General Fund. Expenditures are for health care activities.

General Grants – This fund is used to account for revenues from special taxes, grants and other sources for which expenditures are restricted by law.

LINN COUNTY, OREGON

GENERAL ROAD FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 21,391,670	\$ 21,391,670	\$ 19,615,748	\$ (1,775,922)
Charges for services	107,400	107,400	123,746	16,346
Licenses, permits, fines and fees	100,000	100,000	102,208	2,208
Interest earnings	150,100	150,100	559,760	409,660
Miscellaneous	10,500	10,500	18,523	8,023
TOTAL REVENUES	<u>21,759,670</u>	<u>21,759,670</u>	<u>20,419,985</u>	<u>(1,339,685)</u>
EXPENDITURES				
Albany District				
Personal services	999,783	999,783	759,981	239,802
Materials and services	124,240	124,240	89,441	34,799
Total Albany District	<u>1,124,023</u>	<u>1,124,023</u>	<u>849,422</u>	<u>274,601</u>
Halsey District				
Personal services	957,276	957,276	906,344	50,932
Materials and services	134,940	150,440	108,031	42,409
Capital outlay	10,000	10,000	3,350	6,650
Total Halsey District	<u>1,102,216</u>	<u>1,117,716</u>	<u>1,017,725</u>	<u>99,991</u>
Scio District				
Personal services	956,798	956,798	906,550	50,248
Materials and services	134,440	153,440	125,619	27,821
Capital outlay	10,000	10,000	4,010	5,990
Total Scio District	<u>1,101,238</u>	<u>1,120,238</u>	<u>1,036,179</u>	<u>84,059</u>

See notes to basic financial statements

Statement continued on next page

GENERAL ROAD FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Lebanon District				
Personal services	\$ 487,720	\$ 499,720	\$ 497,028	\$ 2,692
Materials and services	235,480	288,980	262,164	26,816
Capital outlay	10,000	10,000	625	9,375
Total Lebanon District	733,200	798,700	759,817	38,883
Sweet Home District				
Personal services	1,023,675	1,032,675	1,028,742	3,933
Materials and services	140,420	157,420	140,805	16,615
Capital outlay	10,000	10,000	2,368	7,632
Total Sweet Home District	1,174,095	1,200,095	1,171,915	28,180
Bridge				
Personal services	843,499	843,499	608,727	234,772
Materials and services	186,440	186,440	155,509	30,931
Capital outlay	10,000	10,000	7,970	2,030
Total Bridge	1,039,939	1,039,939	772,206	267,733
Fleet Maintenance				
Personal services	907,066	963,066	960,335	2,731
Materials and services	542,300	557,300	552,131	5,169
Total Fleet Maintenance	1,449,366	1,520,366	1,512,466	7,900
Traffic Control				
Personal services	522,002	522,002	510,564	11,438
Materials and services	591,040	591,040	460,018	131,022
Capital outlay	20,000	20,000	-	20,000
Total Traffic Control	1,133,042	1,133,042	970,582	162,460

See notes to basic financial statements
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GENERAL ROAD FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Special Operations				
Personal services	\$ 337,349	\$ 337,349	\$ 191,267	\$ 146,082
Materials and services	11,440	31,440	15,075	16,365
Total Special Operations	348,789	368,789	206,342	162,447
Engineering				
Personal services	1,222,599	1,222,599	895,124	327,475
Materials and services	37,740	37,740	29,283	8,457
Total Engineering	1,260,339	1,260,339	924,407	335,932
Roadmaster				
Personal services	1,262,623	1,362,623	1,346,671	15,952
Materials and services	4,311,050	4,311,050	3,292,874	1,018,176
Capital outlay	10,269,766	10,269,766	4,990,192	5,279,574
Total Roadmaster	15,843,439	15,943,439	9,629,737	6,313,702
All Departments-Total				
Personal services	9,520,390	9,697,390	8,611,333	1,086,057
Materials and services	6,449,530	6,589,530	5,230,950	1,358,580
Capital outlay	10,339,766	10,339,766	5,008,515	5,331,251
Total All Departments	26,309,686	26,626,686	18,850,798	7,775,888
Contingency	8,861,169	8,548,190	-	8,548,190
TOTAL EXPENDITURES	35,170,855	35,174,876	18,850,798	16,324,078
Excess (deficiency) of revenues over expenditures	(13,411,185)	(13,415,206)	1,569,187	14,984,393

See notes to basic financial statements
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GENERAL ROAD FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 50,000	\$ 50,000	\$ 93,845	\$ 43,845
Loan repayment receipts from other funds	5,052,475	5,056,496	4,052,472	(1,004,024)
Transfers out	(6,204,917)	(6,204,917)	(912,979)	5,291,938
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,102,442)</u>	<u>(1,098,421)</u>	<u>3,233,338</u>	<u>4,331,759</u>
Net change in fund balance	(14,513,627)	(14,513,627)	4,802,525	19,316,152
Fund balance at beginning of year	<u>15,620,300</u>	<u>15,620,300</u>	<u>18,402,496</u>	<u>2,782,196</u>
Fund balance at end of year	<u>\$ 1,106,673</u>	<u>\$ 1,106,673</u>	<u>\$ 23,205,021</u>	<u>\$ 22,098,348</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 23,205,021	
Fair market value adjustment on investments			(25,230)	
Accounts receivable and available			2,673	
Due from other governments and available			151,012	
Due from other funds			25,340	
Interest accrued and available			34,414	
Inventories			2,274,928	
Loan advances due from other funds			1,000,000	
Accounts payable			(533,325)	
Due to other governments			(11,626)	
Due to other funds			(35,096)	
Unearned grant revenue			(645,057)	
Accrued payroll, payroll taxes and benefits			(751,192)	
Fund balance (GAAP basis) at end of year			<u>\$ 24,691,862</u>	

See notes to basic financial statements

LINN COUNTY, OREGON

LAW ENFORCEMENT 4-YEAR LEVY FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 32,890,359	\$ 32,890,359	\$ 33,742,211	\$ 851,852
Interest earnings	25,000	25,000	355,998	330,998
Miscellaneous	-	-	418	418
TOTAL REVENUES	<u>32,915,359</u>	<u>32,915,359</u>	<u>34,098,627</u>	<u>1,183,268</u>
EXPENDITURES				
Sheriff Support				
Personal services	2,603,129	2,603,129	2,409,569	193,560
Materials and services	3,440,185	3,440,185	2,353,360	1,086,825
Capital outlay	579,534	579,534	241,009	338,525
Total Sheriff Support	<u>6,622,848</u>	<u>6,622,848</u>	<u>5,003,938</u>	<u>1,618,910</u>
Sheriff Criminal				
Personal services	8,483,934	8,483,934	8,108,435	375,499
Materials and services	373,060	373,060	269,099	103,961
Capital outlay	1	1	-	1
Total Sheriff Criminal	<u>8,856,995</u>	<u>8,856,995</u>	<u>8,377,534</u>	<u>479,461</u>
District Attorney				
Personal services	2,834,615	2,834,615	2,675,582	159,033
Materials and services	356,891	356,891	302,866	54,025
Capital outlay	1,084,098	1,084,098	-	1,084,098
Total District Attorney	<u>4,275,604</u>	<u>4,275,604</u>	<u>2,978,448</u>	<u>1,297,156</u>
Juvenile				
Personal services	1,912,138	1,912,138	1,817,642	94,496
Materials and services	114,000	114,000	88,306	25,694
Capital outlay	6,001	6,001	-	6,001
Total Juvenile	<u>2,032,139</u>	<u>2,032,139</u>	<u>1,905,948</u>	<u>126,191</u>

See notes to basic financial statements
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LAW ENFORCEMENT 4-YEAR LEVY FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Sheriff Corrections				
Personal services	\$ 8,968,985	\$ 8,968,985	\$ 8,613,031	\$ 355,954
Materials and services	1,528,410	1,528,410	1,528,139	271
Capital outlay	1	1	-	1
Total Sheriff Corrections	10,497,396	10,497,396	10,141,170	356,226
Juvenile Detention				
Personal services	2,016,026	2,016,026	1,924,757	91,269
Materials and services	139,662	139,662	139,662	-
Total Juvenile Detention	2,155,688	2,155,688	2,064,419	91,269
Non-Departmental				
Materials and services	5,000	5,000	4,317	683
Capital outlay	1,461,962	1,461,962	-	1,461,962
Total Non-Departmental	1,466,962	1,466,962	4,317	1,462,645
All Departments-Total				
Personal services	26,818,827	26,818,827	25,549,016	1,269,811
Materials and services	5,957,208	5,957,208	4,685,749	1,271,459
Capital outlay	3,131,597	3,131,597	241,009	2,890,588
Total All Departments	35,907,632	35,907,632	30,475,774	5,431,858
Contingency	4,033,394	4,033,394	-	4,033,394
TOTAL EXPENDITURES	39,941,026	39,941,026	30,475,774	9,465,252
Excess (deficiency) of revenues over expenditures	(7,025,667)	(7,025,667)	3,622,853	10,648,520
OTHER FINANCING SOURCES (USES)				
Transfers out	(946,985)	(946,985)	(946,985)	-

See notes to basic financial statements
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LAW ENFORCEMENT 4-YEAR LEVY FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
Net change in fund balance	\$ (7,972,652)	\$ (7,972,652)	\$ 2,675,868	\$ 10,648,520
Fund balance at beginning of year	<u>7,972,652</u>	<u>7,972,652</u>	<u>8,082,833</u>	<u>110,181</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,758,701</u>	<u>\$ 10,758,701</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 10,758,701	
Fair market value adjustment on investments			(11,698)	
Property taxes receivable and available			111,908	
Interest accrued and available			16,191	
Accounts payable			(199,330)	
Due to other funds			(30,219)	
Accrued payroll, payroll taxes and benefits			<u>(2,151,181)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 8,494,372</u>	

See notes to basic financial statements

LINN COUNTY, OREGON
HEALTH SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 28,753,550	\$ 32,632,124	\$ 38,534,875	\$ 5,902,751
Charges for services	961,774	2,301,876	1,994,225	(307,651)
Licenses, permits, fines and fees	695,387	695,387	695,909	522
Interest earnings	23,300	32,939	620,886	587,947
Miscellaneous	219,574	219,574	404,915	185,341
Interdepartmental transfers in	<u>1,675,399</u>	<u>1,838,831</u>	<u>1,679,183</u>	<u>(159,648)</u>
TOTAL REVENUES	<u>32,328,984</u>	<u>37,720,731</u>	<u>43,929,993</u>	<u>6,209,262</u>
EXPENDITURES				
Administration				
Personal services	1,656,716	1,705,148	1,674,819	30,329
Materials and services	122,642	197,642	137,405	60,237
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Administration	<u>1,779,359</u>	<u>1,902,791</u>	<u>1,812,224</u>	<u>90,567</u>
Mental Health				
Personal services	14,793,675	15,790,097	12,608,840	3,181,257
Materials and services	1,748,684	5,187,868	4,393,842	794,026
Capital outlay	<u>1</u>	<u>135,001</u>	<u>106,178</u>	<u>28,823</u>
Total Mental Health	<u>16,542,360</u>	<u>21,112,966</u>	<u>17,108,860</u>	<u>4,004,106</u>
Developmental Disabilities				
Personal services	4,302,475	4,302,475	3,961,946	340,529
Materials and services	443,449	443,449	411,673	31,776
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Developmental Disabilities	<u>4,745,925</u>	<u>4,745,925</u>	<u>4,373,619</u>	<u>372,306</u>

See notes to basic financial statements
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HEALTH SERVICES FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Alcohol & Drug				
Personal services	\$ 3,633,477	\$ 4,074,517	\$ 3,497,388	\$ 577,129
Materials and services	1,449,222	1,518,375	1,091,161	427,214
Capital outlay	1	75,001	65,046	9,955
Total Alcohol & Drug	5,082,700	5,667,893	4,653,595	1,014,298
Public Health				
Personal services	4,842,181	4,736,649	3,955,616	781,033
Materials and services	1,809,481	1,789,481	1,205,658	583,823
Capital outlay	1	110,001	106,842	3,159
Total Public Health	6,651,663	6,636,131	5,268,116	1,368,015
Environmental Health				
Personal services	866,993	866,993	845,607	21,386
Materials and services	138,896	218,896	187,478	31,418
Capital outlay	50,000	60,000	45,586	14,414
Total Environmental Health	1,055,889	1,145,889	1,078,671	67,218
All Departments-Total				
Personal services	30,095,517	31,475,879	26,544,216	4,931,663
Materials and services	5,712,374	9,355,711	7,427,217	1,928,494
Capital outlay	50,005	380,005	323,652	56,353
Total All Departments	35,857,896	41,211,595	34,295,085	6,916,510

See notes to basic financial statements
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HEALTH SERVICES FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Contingency	<u>10,580,697</u>	<u>10,455,313</u>	<u>-</u>	<u>10,455,313</u>
Interdepartmental transfers out	<u>1,675,399</u> (1)	<u>1,838,831</u>	<u>1,679,183</u>	<u>159,648</u>
TOTAL EXPENDITURES	<u>48,113,992</u>	<u>53,505,739</u>	<u>35,974,268</u>	<u>17,531,471</u>
Excess (deficiency) of revenues over expenditures	<u>(15,785,008)</u>	<u>(15,785,008)</u>	<u>7,955,725</u>	<u>23,740,733</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	510,700	510,700	510,700	-
Transfers out	<u>(2,931,747)</u> (1)	<u>(2,931,747)</u>	<u>(2,752,769)</u>	<u>178,978</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,421,047)</u>	<u>(2,421,047)</u>	<u>(2,242,069)</u>	<u>178,978</u>
Net change in fund balance	\$ (18,206,055)	\$ (18,206,055)	\$ 5,713,656	\$ 23,919,711
Fund balance at beginning of year	<u>18,206,055</u>	<u>18,206,055</u>	<u>18,664,536</u>	<u>458,481</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,378,192</u>	<u>\$ 24,378,192</u>

(1) Appropriation level total is \$4,607,146

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 24,378,192
Fair market value adjustment on investments	(26,505)
Accounts receivable, net and available	1,137,563
Due from other governments, net and available	176,114
Due from other funds	29,692
Interest accrued and available	36,154
Accounts payable	(160,110)
Due to other funds	(7,229)
Unearned grant revenue	(1,141,334)
Accrued payroll, payroll taxes and benefits	<u>(2,151,133)</u>
Fund balance (GAAP basis) at end of year	<u>\$ 22,271,404</u>

See notes to basic financial statements

LINN COUNTY, OREGON

GENERAL GRANTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

REVENUES	Budget		Actual	Variance
	Original	Final		
<i>By Department:</i>				
Commissioners	\$ 3,105,281	\$ 3,105,281	\$ 3,483,919	\$ 378,638
Veteran's services	1,210	5,210	4,000	(1,210)
Planning & Building	100,000	100,000	-	(100,000)
Parks	1,121,405	1,121,405	651,631	(469,774)
Fair	23,000	23,000	54,026	31,026
Sheriff	953,479	1,299,666	1,044,925	(254,741)
District attorney	297,899	297,899	294,836	(3,063)
Juvenile	853,883	853,883	742,588	(111,295)
Sheriff/Animal control	2,000	2,000	16,220	14,220
General administration	86,379	86,379	109,171	22,792
General services	3,001	56,001	41,750	(14,251)
Non-departmental	<u>12,601,111</u>	<u>12,601,111</u>	<u>4,000</u>	<u>(12,597,111)</u>
Total departmental revenue	<u>19,148,648</u>	<u>19,551,835</u>	<u>6,447,066</u>	<u>(13,104,769)</u>
Interest earnings	<u>22,520</u>	<u>22,520</u>	<u>147,954</u>	<u>125,434</u>
TOTAL REVENUES	<u>19,171,168</u>	<u>19,574,355</u>	<u>6,595,020</u>	<u>(12,979,335)</u>
EXPENDITURES				
Commissioners				
Personal services	143,698	143,698	129,901	13,797
Materials and services	<u>5,523,621</u>	<u>5,523,621</u>	<u>2,699,884</u>	<u>2,823,737</u>
Total Commissioners	<u>5,667,319</u>	<u>5,667,319</u>	<u>2,829,785</u>	<u>2,837,534</u>
Veterans' Services				
Materials and services	<u>3,767</u>	<u>7,767</u>	<u>3,767</u>	<u>4,000</u>
Total Veterans' Services	<u>3,767</u>	<u>7,767</u>	<u>3,767</u>	<u>4,000</u>

See notes to basic financial statements
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GENERAL GRANTS FUND (Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Planning & Building				
Materials and services	\$ 100,000	\$ 100,000	\$ 18,750	\$ 81,250
Total Planning & Building	100,000	100,000	18,750	81,250
Parks and Recreation				
Personal services	572,780	572,780	403,391	169,389
Materials and services	240,658	240,658	115,623	125,035
Capital outlay	496,537	496,537	32,095	464,442
Total Parks and Recreation	1,309,975	1,309,975	551,109	758,866
Fair				
Materials and services	50,800	50,800	36,174	14,626
Total Fair	50,800	50,800	36,174	14,626
Sheriff - Support Services				
Personal services	203,678	203,678	176,433	27,245
Materials and services	257,715	274,715	19,170	255,545
Capital outlay	1,966,561	2,268,104	1,528,837	739,267
Total Sheriff - Support Services	2,427,954	2,746,497	1,724,440	1,022,057
Sheriff - Criminal				
Personal services	179,554	179,554	124,343	55,211
Materials and services	193,633	203,633	97,090	106,543
Capital outlay	3	1,003	-	1,003
Total Sheriff - Criminal	373,190	384,190	221,433	162,757
District Attorney				
Personal services	303,716	303,716	294,202	9,514
Total District Attorney	303,716	303,716	294,202	9,514

*See notes to basic financial statements
Statement continued on next page*

GENERAL GRANTS FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Juvenile				
Personal services	\$ 435,455	\$ 435,455	\$ 314,895	\$ 120,560
Materials and services	526,232	526,232	263,076	263,156
Capital outlay	1	1	-	1
Total Juvenile	961,688	961,688	577,971	383,717
Sheriff - Corrections				
Materials and services	387,929	492,346	109,001	383,345
Capital outlay	2	100,002	49,499	50,503
Total Sheriff - Corrections	387,931	592,348	158,500	433,848
Sheriff - Animal control				
Materials and services	47,819	47,819	5,277	42,542
Capital outlay	1	1	-	1
Total Sheriff - Animal control	47,820	47,820	5,277	42,543
General Administration				
Personal services	26,310	26,310	14,916	11,394
Materials and services	173,671	173,671	110,361	63,310
Total General Administration	199,981	199,981	125,277	74,704
General Services				
Materials and services	4,435	57,435	3,440	53,995
Capital outlay	19,530	19,530	4,519	15,011
Total General Services	23,965	76,965	7,959	69,006

See notes to basic financial statements
Statement continued on next page

GENERAL GRANTS FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Expo				
Materials and services	\$ 1,020	\$ 1,020	\$ -	\$ 1,020
Non-departmental				
Materials and services	11,234,741	11,234,741	-	11,234,741
Capital outlay	2,000,000	2,000,000	-	2,000,000
Total Non-departmental	13,234,741	13,234,741	-	13,234,741
All Departments-Total				
Personal services	1,865,191	1,865,191	1,458,081	407,110
Materials and services	18,746,041	18,934,458	3,481,613	15,452,845
Capital outlay	4,482,635	4,885,178	1,614,950	3,270,228
Total All Departments	25,093,867	25,684,827	6,554,644	19,130,183
Contingency	3,269,718	3,099,718	-	3,099,718
TOTAL EXPENDITURES	28,363,585	28,784,545	6,554,644	22,229,901
Excess (deficiency) of revenues over expenditures	(9,192,417)	(9,210,190)	40,376	(9,250,566)
OTHER FINANCING SOURCES (USES):				
Transfers in	332,878	332,878	297,878	(35,000)
Transfers out	(1,187,049)	(1,187,049)	(958,474)	228,575
Sale of capital assets	1,000	1,000	-	(1,000)
Total other financing sources (uses)	(853,171)	(853,171)	(660,596)	192,575

See notes to basic financial statements

Statement continued on next page

GENERAL GRANTS FUND (Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
Net change in fund balance	\$ (10,045,588)	\$ (10,063,361)	\$ (620,220)	\$ 9,443,141
Fund balance at beginning of year	<u>10,396,519</u>	<u>10,414,292</u>	<u>22,354,516</u>	<u>11,940,224</u>
Fund balance at end of year	<u>\$ 350,931</u>	<u>\$ 350,931</u>	<u>\$ 21,734,296</u>	<u>\$ 21,383,365</u>

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 21,734,296
Fair market value adjustment on investments	(23,631)
Accounts receivable and available	56,617
Due from other governments and available	521,727
Due from other funds	1,500
Interest accrued and available	32,233
Accounts payable	(686,578)
Due to other governments	(460)
Due to other funds	(126)
Unearned grant revenue	(15,629,741)
Accrued payroll, payroll taxes and benefits	<u>(102,460)</u>
Fund balance (GAAP basis) at end of year	<u>\$ 5,903,377</u>

See notes to basic financial statements

LINN COUNTY, OREGON

**PROPRIETARY FUND
INTERNAL SERVICE FUND**

Insurance – This department began in fiscal year 2021-22. This department is self-financed by monthly contributions from all County departments that have employees. This department pays all County insurance premiums including commercial general liability, auto comprehensive liability, property, equipment, and various other insurance coverages.

Unemployment Insurance – This department began in fiscal year 1990-91 with initial funding obtained through action by the County Commissioners who requested monies that had accumulated in the State Employment Division Local Government Benefit Trust Fund. Currently this department is self-financed by monthly contributions from all County departments that have employees. Expenditures from this department pay all current year County unemployment claims.

LINN COUNTY, OREGON

STATEMENT OF NET POSITION
 PROPRIETARY FUND

June 30, 2023

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<u>ASSETS</u>	
Current assets	
Cash and investments	\$ 1,628,232
Interest receivable	10,088
Due from other funds	62,001
Prepaid expense	<u>174,266</u>
TOTAL ASSETS	<u>1,874,587</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	1,197
Due to other governments	9,765
Claims liability	374,717
Deferred revenue	<u>7,671</u>
TOTAL LIABILITIES	<u>393,350</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 1,481,237</u>

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended June 30, 2023

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
OPERATING REVENUES	
Reimbursements	\$ 905,050
OPERATING EXPENSES	
Materials and services	165,967
Operating income/(loss)	739,083
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	44,948
Change in net position	784,031
Net position - beginning of year	697,206
Net position - end of year	\$ 1,481,237

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended June 30, 2023

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Cash received from reimbursements	\$ 725,583
Cash paid for insurance claims	<u>(140,495)</u>
Net cash (used in) operating activities	585,088
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>42,531</u>
Net (decrease) in cash and investments	627,619
Cash and investments - beginning of year	<u>1,000,613</u>
Cash and investments - end of year	<u>\$ 1,628,232</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ 739,083
(Increase) decrease in due from other funds	(5,201)
(Increase) decrease in prepaid expense	(174,266)
Increase (decrease) in accounts payable	1,197
Increase (decrease) in due to other government	(2,044)
Increase (decrease) in claims liability	<u>26,319</u>
Net cash (used in) operating activities	<u>\$ 585,088</u>

See notes to basic financial statements

LINN COUNTY, OREGON

FIDUCIARY FUND

Custodial Funds – This fund accounts for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with applicable legislative enactment for each particular fund; there are no trust agreements as it relates to the various accounts maintained by the Treasurer’s office. In Linn County these include a regional fueling facility, justice courts and various other receipts held by the County Treasurer’s office.

LINN COUNTY, OREGON

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash and investments	\$ 7,317,408
Property taxes receivable for other governments	6,137,913
Accounts receivable for other governments	<u>3,802,007</u>
 TOTAL ASSETS	 <u>17,257,328</u>
 <u>LIABILITIES</u>	
Accounts payable	74,128
Due to other governments	<u>9,939,920</u>
 TOTAL LIABILITIES	 <u>10,014,048</u>
 <u>NET POSITION</u>	
Restricted for other governments	 <u>\$ 7,243,280</u>

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Interest earnings	\$ 2,245,103
Property tax collections for other governments	211,384,185
Fees and other revenues collected for other governments	22,501,221
Sales made to other governments	<u>1,533,364</u>
TOTAL ADDITIONS	<u>237,663,873</u>
<u>DEDUCTIONS</u>	
Interest paid out to other governments	2,245,103
Payments of property taxes to other governments	211,384,185
Payments of fees and other revenues to other governments	23,562,507
Fuel purchases and other expenses on behalf of other governments	<u>1,343,995</u>
TOTAL DEDUCTIONS	<u>238,535,790</u>
Change in net position	(871,917)
Net position - beginning of year	<u>8,115,197</u>
Net position - end of year	<u>\$ 7,243,280</u>

See notes to basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2023

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LINN COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of **LINN COUNTY, OREGON** have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the County are described below.

A. Organization

LINN COUNTY, OREGON was formed under the predecessor chapter to ORS 202 in 1847. Its boundaries are established by ORS 201.220. The County's budgeting and accountability for fiscal matters is directed by a Board of County Commissioners consisting of three independently elected members. Seven other elected officials manage various other public service areas.

B. Reporting entity

The accompanying basic financial statements present all activities funds and component units for which the County is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criterion, the County is a primary government with no includable component units.

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County (the primary government). The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-wide and fund financial statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds and major proprietary funds are reported in separate columns in the respective fund financial statements.

D. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting and financial statement presentation (continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The County reports the following major governmental funds:

General: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Its principal revenue sources are property taxes, intergovernmental receipts, charges for services, and licenses, permits, fines and fees.

General Road: Accounts for the operations of the County road department including expenditures for road maintenance and construction. Its principal revenue source is intergovernmental receipts from state motor vehicle apportionments.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting and financial statement presentation (continued)

Major governmental funds (continued):

Law Enforcement 4-Year Levy: Operations are for law enforcement and jail operations. Its revenue source is property taxes.

Health Services: Accounts for the operations of County health departments which provide health care services to residents of Linn County. Its principal revenue sources are intergovernmental receipts, charges for services, and licenses, permits, fines and fees.

General Grants – This fund accounts for revenues from special taxes, grants and other sources for which expenditures are restricted by law.

Additionally, the County reports the following fund types:

Special revenue funds - are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Proprietary fund - accounts for the operations of predominantly self-supporting activities. The County's internal service fund accounts for services provided to other departments or agencies of the government or to other governments. This fund accounts for unemployment insurance claims, and all commercial insurance premiums, of the County through self-financed monthly contributions from departments.

Fiduciary funds - account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund, which in Linn County include a regional fueling facility, justice courts and various other receipts held by the County Treasurer's office.

E. Budget

In accordance with State law, annual budgets are adopted for all funds except fiduciary funds. The cash basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The County begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in March or April and the hearing is held in April. The Board of Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget (continued)

Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County has established the levels of budgetary control at the personal services, materials and services, capital outlay, transfers, contingency, and all other requirements levels for all funds except the General fund, Road fund, General Grants fund, Law Enforcement 4-year Levy fund, and the Health Services fund. Budgetary controls for these funds are established within each department at the personal services, materials and services, capital outlay, transfers, contingency, and all other requirements levels.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The Board of Commissioners must authorize all appropriation transfers and supplementary budgetary appropriations. Expenditures for all funds were within appropriation amounts, except for Corner Preservation Fund – Transfers out by \$5,426.

F. Investments

Investments included in cash and investments are reported at fair value. The County invests in the State of Oregon local government investment pool (LGIP), certificates of deposit, US government securities held under repurchase agreements, and other government investments authorized by Oregon revised statutes. The LGIP is not registered with the Securities and Exchange Commission as an investment organization. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The County maintains depository insurance under federal depository insurance funds and state and financial institution collateral pools for its deposits with financial institutions.

For purposes of the combined statement of cash flows, the internal service fund considers its cash and investments as cash and cash equivalents. This is in conformity with Statement No. 9 of the governmental accounting standards board which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Investments (continued)

Level 1 – inputs are quoted prices in active markets for identical assets.

Level 2 – inputs are other significant observable inputs.

Level 3 – inputs are significant unobservable inputs.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

G. Receivables

Uncollected property taxes are reported on the balance sheet as receivables; the portion which has been collected within 45 days of year end, are considered measurable and available, and are recognized as revenues in the funds. The remaining balance is recorded as a deferred inflow item called unavailable revenue, and has not been recorded as revenue. Property taxes receivable in the fiduciary fund are for other governments and are offset by the liability Due to other governments. Property taxes received and disbursed are shown as additions and deductions on the fiduciary statement of changes in net position.

Accounts receivable in governmental funds are recorded as revenue as they become measurable and available. An allowance for doubtful accounts pertaining to estimated uncollectible Health fund fees has been recorded.

Receivables for federal and state grants, and state shared revenues are entered in the governmental funds as “Due from other governments.” These receivables are recorded as revenue in all fund types as they become measurable and available.

H. Lease receivables

Lease receivables are recognized at the net present value of the right-to-use assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the County, reduced by principal payments received.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Inter-fund loans

Lending and borrowing arrangements between funds, which are outstanding at the end of the year, are presented as “Loan advances from/Loan repayments to other funds” for the outstanding balances of the interfund loans. All other outstanding balances between funds are reported as due to/from other funds. Interfund loan advances to/from other funds are offset by a reservation of fund equity to indicate that they are not available financial resources.

J. Inventories

Inventories consist of materials and supplies used for road repairs by the General Road fund. Inventories are valued at average cost. The County uses the consumption method of accounting for these inventories, whereby inventories are charged as expenditures when used.

K. Foreclosed properties held for sale

These properties are valued at the amount of property taxes owed upon acquisition by the County. The properties are continually offered for sale, and upon sale, revenues are recognized. The inventory of foreclosed properties held for sale is offset by unearned revenue.

L. Capital assets

Capital assets include property, equipment, right-to-use assets, infrastructure assets (e.g., roads and bridges), and their improvements, and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The County has elected to use the modified approach to present infrastructure relating to paved roads. Under the modified approach, assets are capitalized but not depreciated. In lieu of calculating depreciation, a condition assessment of the eligible assets must be presented listing planned versus actual maintenance and details of the basis of assessment and the level of condition at which the County intends to preserve the eligible assets. All other infrastructure assets are being depreciated.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects under construction are completed.

Buildings, equipment, vehicles, and infrastructure of the County are depreciated after reducing the capitalized cost by an estimated salvage value, if any, using the straight-line method over the following estimated useful lives:

- | | |
|--------------------------|---------------|
| • Motor vehicles | 3 - 10 years |
| • Equipment | 5 - 30 years |
| • Intangibles | 5 - 15 years |
| • Buildings | 39 - 50 years |
| • Buildings improvements | 50 years |
| • Public infrastructure | 25 - 50 years |

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

M. Lease and SBITA assets

Lease and subscription assets are assets in which the government obtains control of the right to use the underlying IT asset or leased items. The value of the asset is initially measured as the sum of the initial liability amount, any payments made to the vendor before commencement of the lease or subscription term, and any capitalizable implementation costs, less any incentives received from the vendor at or before the commencement of the term. The asset is amortized on a straight-line basis over the course of the lease or subscription term.

N. Investment in joint venture

The County reports its vested pro-rata share of the June 30 net position of the Linn Regional Fueling Facility (a jointly governed organization) as investment in joint venture.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt.

The County has no such debt at year end.

P. Compensated absences

Accumulated vacation is accrued when incurred in the government-wide statements. Sick leave, which does not vest, is recorded when leave is taken. The County's funds that have accrued payroll periodically liquidate the compensated absences liability when accrued vacation is used.

Q. Lease and SBITA's payable

In the government-wide financial statements, lease and subscription obligations are reported as liabilities on the Statement of Net Position. In the governmental fund financial statements, the present value of the lease and subscription payments expected to be made during the term are reported as other financing sources. The lease or subscription liability are initially measured at the present value of future lease or subscription payments. Future payments are discounted using the implicit interest rate in the agreement, or by using the government's incremental borrowing rate if the implicit rate is not readily determinable. The liability is reduced by future payments made, less the interest portion of the payment.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net position and fund balance

Net position

In the government-wide financial statements, net position is reported in three categories: invested in capital assets, restricted net position; and unrestricted net position. Net position invested in capital assets represent capital assets, net of accumulated depreciation and amortization, reduced by outstanding principal of any related debt. Restricted net position represents net position restricted by parties outside of the County (such as creditors, grantors, contributors, or laws, and regulations of other governments). All other net position is considered unrestricted. In the government-wide and proprietary fund financial statements, when the County has restricted and unrestricted resources available, it is the County's policy to expend restricted resources first and then unrestricted resources as needed.

Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-Spendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that represents resources whose use is subject to a legally binding constraint by ordinance or resolution that is imposed by the Board of Commissioners, the highest level of decision-making authority for the County. The same type of action that created the constraint is required to change or remove the specified use.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Commissioners has authority to assign fund balance amounts.

Unassigned – The residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when the County has restricted and unrestricted (committed, assigned or unassigned) resources available, it is the County's policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Property tax calendar

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments which are due on November 15, February 15 and May 15 following the lien date. The County levies, collects and distributes property taxes for the taxing jurisdictions within its boundaries. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens.

T. Deferred outflows/inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include pension, and OPEB related items.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that apply to future periods and so will not be recognized as an inflow of resources (revenue) until then. Pension, and OPEB related items are amortized over specified periods and are reported as deferred inflows of resources.

The County is a lessor for certain leases. In accounting for GASB 87 in the financial statements, a receivable and deferred inflows of resources will be recognized for these lessor leases. As payments are received by the County each year, the lessor receivable will be reduced and deferred inflow of resources will be recognized as revenue.

The balance sheet of governmental funds report as deferred inflows unavailable revenues from two sources: property taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or are recognized when they are earned.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Pension

For the purposes of measuring the net pension liability, deferred outflow/inflows of resources related to pensions, pension expense, information about fiduciary net position of the Oregon Public employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

V. Implementation of new accounting standard

During the fiscal year ended June 30, 2023, the County implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA's)*. This Statement will improve financial reporting by establishing a definition for SBITA's and providing guidance for accounting and financial reporting for transactions that meet that definition. The statement will increase the consistency, comparability, and will enhance the relevance and reliability of a government's financial statements. It requires governments to disclose essential information about the arrangement, plus disclosures will allow users to understand the scale and importance of a government's SBITA activities.

2. CASH AND INVESTMENTS

The County maintains a pool of cash and investments pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "Cash and investments." Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

The County's cash and investments at June 30, 2023, are as follows:

Cash on hand	\$ 49,303
Deposits with financial institutions:	
Checking and saving accounts	10,580,529
Investments	<u>89,567,847</u>
Total cash and investments	<u>\$ 100,197,679</u>

Cash and investments by fund:

Governmental activities

Governmental funds:

General	\$ 9,454,033
General Road	23,179,791
Law Enforcement 4-Year Levy	10,747,003
Health Services	24,351,687
General Grants	21,710,665
Nonmajor governmental funds	<u>1,808,860</u>
Total governmental funds	91,252,039

Proprietary fund:

Internal Service	<u>1,628,232</u>
Total governmental activities	92,880,271

Fiduciary fund:

Custodial funds	<u>7,317,408</u>
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Total cash and investments - all funds \$ 100,197,679

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. The Oregon State Treasury administers the LGIP.

Investments in the LGIP are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023.

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We have measured these investments at fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023, the fair value of the position of the LGIP is 99.63% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Credit risk: Oregon statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. The Pool is not registered with the SEC as an investment company and is unrated.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

As of June 30, 2023 the County had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value Activity Level</u>	<u>Fair Value</u>
<u>State Treasurer's Investment Pool</u>				
Linn County share	No rating	N/A	Quoted market price, Level 1	\$ 49,794,049
<u>Investments held with Oregon Community Credit Union</u>				
Certificate of Deposit	No rating	11/22/23	Quoted market price, Level 1	2,034,811
<u>Investments held with Keybank National Association</u>				
<u>Treasury Bills (Cusip number):</u>				
912796XQ7	AA+	7/13/2023	Quoted market price, Level 1	2,042,137
912797GF8	AA+	8/8/2023	Quoted market price, Level 1	4,974,350
912796XY0	AA+	8/10/2023	Quoted market price, Level 1	2,038,909
912796YH6	AA+	9/7/2023	Quoted market price, Level 1	2,035,580
912796CR8	AA+	9/21/2023	Quoted market price, Level 1	1,977,040
912796YJ2	AA+	10/5/2023	Quoted market price, Level 1	2,037,061
912796Z28	AA+	2/22/2024	Quoted market price, Level 1	1,934,060
Class Total				17,039,137
<u>Government Agencies (Cusip number):</u>				
313384LT4	AA+	9/15/2023	Quoted market price, Level 1	1,979,820
313384MH9	AA+	9/29/2023	Quoted market price, Level 1	1,976,020
313384NB1	AA+	10/17/2023	Quoted market price, Level 1	2,956,410
3130ATZ42	AA+	11/28/2023	Quoted market price, Level 1	1,993,240
3135GAEG2	AA+	1/26/2024	Quoted market price, Level 1	1,991,200
3130AVT77	AA+	2/1/2024	Quoted market price, Level 1	2,988,330
3134GYAY8	AA+	6/28/2024	Quoted market price, Level 1	1,985,940
3134GXMH4	AA+	3/24/2025	Quoted market price, Level 1	943,150
3130ARC66	AA+	3/28/2025	Quoted market price, Level 1	947,430
3130ART43	AA+	5/12/2025	Quoted market price, Level 1	961,930
3134GYAK8	AA+	12/26/2025	Quoted market price, Level 1	1,976,380
Class Total				20,699,850
Total Keybank Investments				37,738,987
Total Investments				\$ 89,567,847

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

Interest Rate Risk: The County does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates. The county's policy to manage its exposure to fair-value losses arising from increases in interest rates is in compliance with Oregon Revised Statutes.

Concentration of Credit Risk: The County does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 55.59% of the County's investments are in the State Treasurer's Investment Pool. The County's policy does not allow for an investment with any one issuer that is in excess of 25% of the County's total investments.

Custodial Credit Risk-Investments: This is the risk that, in the event of the failure of counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments of \$37,738,987 are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is the counterparty to those securities. Additionally the County holds an investment of \$2,034,811 at a credit union; all of this balance is insured; with \$250,000 covered by NCUA, and the remaining balance insured with excess coverage. Investments in the LGIP are not exposed to custodial credit risk. The County's investment policy does not limit the amount of investments that can be held by counterparties.

Custodial Credit Risk-Deposits: This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 for the combined total of all non-interest savings deposits. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2023, the County's bank balances were \$11,794,599, and none of these funds were exposed to credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES

The County's receivables at June 30, 2023 are as follows:

	General	General Roads	Law Enforcement 4-Year Levy	Health Services	General Grants	Non-major	Proprietary	Totals
Property taxes	\$ 592,352	\$ -	\$ 1,262,069	\$ -	\$ -	\$ -	\$ -	\$ 1,854,421
Accounts	88,925	15,942	-	1,376,039	57,665	-	-	1,538,571
Interest	63,199	143,609	66,582	150,869	134,507	9,399	10,088	578,253
Subtotal	744,476	159,551	1,328,651	1,526,908	192,172	9,399	10,088	3,971,245
Less: allowance for uncollectible accounts	-	-	-	(136,857)	-	-	-	(136,857)
Receivables, net	<u>\$ 744,476</u>	<u>\$ 159,551</u>	<u>\$ 1,328,651</u>	<u>\$ 1,390,051</u>	<u>\$ 192,172</u>	<u>\$ 9,399</u>	<u>\$ 10,088</u>	<u>\$ 3,834,388</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. LEASE RECEIVABLE

Governmental Activities:	<u>Original Amount</u>	<u>Outstanding July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding June 30, 2023</u>
<i>Land lease:</i> <u>Approximately 33 acres located in the Mid-Willamette Valley Industrial Park Millersburg, Oregon.</u> May 9, 2022 to May 31, 2038, excluding three successive options to extend. Exercising these options is unknown at commencement. Base monthly rent is \$37,216.67. Rent increases annually by CPI as described, but in no case lower than a floor of 2.50%, and no higher than a ceiling of 3.50%. Payments are amortized at 2.75%.	\$ 6,763,242	\$6,763,242	\$ -	\$ 150,616	\$ 6,612,626
<i>Facility lease:</i> <u>Intergovernmental office space 1117 SE Jackson St., Albany, Oregon.</u> October 1, 2018 to September 30, 2033, including one 5-year extension. Base monthly rent started at \$10,000 and increases annually by 2% at the anniversary date. Payments are amortized at 2.99%. Current payments are \$10,824.32 per month.	<u>1,447,660</u>	<u>1,359,371</u>	<u>-</u>	<u>89,827</u>	<u>1,269,544</u>
Total governmental activities	<u>\$ 8,210,902</u>	<u>\$8,122,613</u>	<u>\$ -</u>	<u>\$ 240,443</u>	<u>\$ 7,882,170</u>

Future maturities are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 375,547	\$ 215,012
2025	400,527	204,137
2026	426,559	192,549
2027	453,683	180,217
2028	481,938	167,110
2029-33	2,876,031	609,506
2034-38	<u>2,867,885</u>	<u>202,961</u>
Total	<u>\$7,882,170</u>	<u>\$1,771,492</u>

Deferred inflow of resources are recognized annually on the straight line basis. \$540,879 was recognized as revenue in the current year.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$ 29,002	\$ 72,944
General Road	25,340	35,096
Law Enforcement 4-Year Levy	-	30,219
Health Services	29,692	7,229
General Grants	1,500	126
Non-major governmental funds	-	1,921
Internal service	62,001	-
	<u>\$ 147,535</u>	<u>\$ 147,535</u>

The interfund balances between the General Fund and the other County funds are primarily a result of the centralized purchasing, printing and mailing departments within the General Fund which bills the other funds for materials and services supplied on their behalf. In addition, information technology is centralized in the General Fund and bills all other funds for services provided.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. INTERFUND LOANS

The County has multiple interfund loans as permitted by ORS 294.468. The term of each loan does not exceed ten years, and the governing body has determined that a 2% interest rate is appropriate for these types of loans. At June 30, 2023 only one interfund loan remains. It's balance is as follows:

Date of Loan	Lending Fund	Borrowing Fund	Purpose	Original Amount	Principal Balance at June 30
3/3/2020	Roads	General	Property purchase-Millersburg	10,000,000	\$ 1,000,000
<u>SUMMARY</u>				<u>Interest paid during year</u>	<u>Principal paid during year</u>
General Fund loan payments to Road fund				<u>\$ 76,851</u>	<u>\$ 3,975,621</u>

Three interfund loans were paid off during the year and a sizeable payment was made on the loan above. In total, \$3,975,621 in principal was repaid to the Road fund during the year. The remaining \$1,000,000 in principal was re-amortized over a 5-year period.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. INTERFUND TRANSFERS

Transfers between funds were made to facilitate operations of County services, to reimburse the General fund for indirect costs, and to provide sufficient operating resources to the Health services and nonmajor funds. Transfers were as follows:

Fund	Transfers in	Transfers out
General	\$ 5,571,639	\$ 739,313
General Road	-	912,979
Law Enforcement 4-Year Levy	-	946,985
Health	510,700	2,752,769
General Grants	297,878	958,474
Nonmajor governmental funds	198,613	268,310
TOTAL	\$ 6,578,830	\$ 6,578,830

8. CAPITAL ASSETS

Changes in capital assets during the year were as follows:

Governmental activities:	Balance June 30, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023
Capital assets not being depreciated or amortized:					
Land	\$ 21,396,463	\$ -	\$ -	\$ -	\$ 21,396,463
Infrastructure	117,814,585	3,036,828	-	-	120,851,413
Construction in progress	8,479,212	7,693,815	7,134,476	(3,531)	9,035,020
Total capital assets not being depreciated or amortized	147,690,260	10,730,643	7,134,476	(3,531)	151,282,896
Capital assets being depreciated and amortized:					
Buildings and improvements	53,781,042	83,240	15,551	-	53,848,731
Intangibles	5,290,131	60,100	204,868	-	5,145,363
Equipment	35,974,669	3,128,564	1,455,704	-	37,647,529
Infrastructure	51,805,842	2,970,011	-	-	54,775,853
Right-to-use assets-leases	749,526	126,102	-	-	875,628
Right-to-use assets-SBITA's	-	4,466,131	-	-	4,466,131
Total capital assets being depreciated and amortized	\$ 147,601,210	\$ 10,834,148	\$ 1,676,123	\$ -	\$ 156,759,235

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. CAPITAL ASSETS (continued)

Less accumulated depreciation and amortization for:

Buildings and improvements	\$ 19,214,396	\$ 911,324	\$ 5,483	\$ -	\$ 20,120,237
Intangibles	3,240,163	446,036	189,182	-	3,497,017
Equipment	20,683,671	1,864,100	1,329,144	-	21,218,627
Infrastructure	14,425,948	1,039,782	-	-	15,465,730
Right-to-use assets-leases	164,788	218,238	-	-	383,026
Right-to-use assets-SBITA's	-	694,021	-	-	694,021
	<u>57,728,966</u>	<u>5,173,501</u>	<u>1,523,809</u>	<u>-</u>	<u>61,378,658</u>
Total accumulated depreciation and amortization					
Total capital assets being depreciated and amortized, net	<u>89,872,244</u>	<u>5,660,647</u>	<u>152,314</u>	<u>-</u>	<u>95,380,577</u>
Total capital assets, net	<u>\$ 237,562,504</u>	<u>\$ 16,391,290</u>	<u>\$ 7,286,790</u>	<u>\$ (3,531)</u>	<u>\$ 246,663,473</u>

Depreciation and amortization expense was charged to functions as follows:

Governmental activities:

General administration and support	\$ 496,678
Local government services	113,244
Public safety	1,545,863
Health services	515,536
Community development	718,114
Highways and streets	<u>1,784,066</u>
Total	<u>\$ 5,173,501</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. DUE TO OTHER GOVERNMENTS

At June 30, 2023 Linn County's General, General Roads, and General Grants funds owed the Linn Regional Fueling, Facility \$38,239 for fuel used in June 2023.

10. COMPENSATED ABSENCES

The County's outstanding obligation for accumulated compensated absences at June 30, 2023 is as follows:

	<u>Balance June 30, 2022</u>	<u>Net Change</u>	<u>Balance June 30, 2023</u>	<u>Balances due within one year</u>
Accumulated compensated absences	\$ 5,029,894	\$ 383,345	\$ 5,413,239	\$ 3,940,274
Totals	<u>\$ 5,029,894</u>	<u>\$ 383,345</u>	<u>\$ 5,413,239</u>	<u>\$ 3,940,274</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. LONG-TERM OBLIGATIONS

Below is a summary of long-term obligation transactions for governmental activities for the year ended June 30, 2023.

<u>Lease liabilities:</u>	<u>Original Amount</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Amounts due in One Year</u>
<u>Office equipment</u> , terms vary from 39 to 63 months, interest ranges from 1.75% to 2.50%, monthly principal and interest payments range from \$124 to \$488, due dates vary for each asset with the latest lease due August 2027	\$ 296,033	\$ 233,676	\$ 44,381	\$ 72,166	\$ 205,891	\$ 75,893
<u>Mail screening machine</u> , interest 8.14%, annual principal and interest payments of \$26,725, due January 2025	74,294	47,569	-	22,855	24,714	24,714
<u>Vehicle leases</u> , terms vary from 48 to 60 months, interest ranges from 1.20% to 4.68%, monthly principal and interest payments range from \$400 to \$853, due dates vary, latest leases due April 2025	311,159	220,491	81,721	108,290	193,922	103,093
<u>Two parking lots</u> , each has a ten year term, interest rates at 2.33% and 2.15% respectively, the first lot has annual payments that escalate by 2% each year, current annual payment was \$7,141, due June 2030. The second lot has monthly payments of \$250, due September 2027	81,007	71,185	-	8,678	62,507	9,022
Total Lease liabilities	\$ 762,493	\$ 572,921	\$ 126,102	\$ 211,989	\$ 487,034	\$ 212,722

Future maturities are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 212,722	\$ 16,748
2025	144,344	9,188
2026	70,260	4,454
2027	28,851	1,511
2028	14,850	702
2029-33	16,007	564
	<u>\$ 487,034</u>	<u>\$ 33,167</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. LONG-TERM OBLIGATIONS (continued)

	Original Amount	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amounts due in One Year
<u>SBITA liabilities:</u>						
Community development SBITA arrangements allow for activities in Planning and building, GIS, and Expo to serve their clients. These 3 arrangements have terms ranging from 18 mos to 10 years. Interest ranges from 3% to 5%. Two arrangements have annual payments; one at approx \$3,450 annually, the other at approx \$36,700 annually. The third arrangement has monthly payments of approx \$4,688 per month.	\$ 403,285	\$ -	\$ 403,285	\$ 93,214	\$ 310,071	\$ 52,887
General admin/Local government have 9 SBITA arrangements. All are geared toward serving the public, or safeguarding the software we have. Terms are from 1 year to 10 years, with interest ranging from 1.75% to 5.0%. Those with annual payments range from \$2,000 to \$53,060. One SBITA has monthly payments of \$3,821.	1,187,705	-	1,187,705	245,096	942,609	163,052
The 4 Health services SBITA arrangements help this department provide for its various customers with their health service needs. Terms are 4 to 10 years, with interest ranging from 3.50% to 3.65%. Two have annual payments between \$2868 and \$12,668, while the other two are monthly payments ranging between \$220 and \$14,472.	883,642	-	883,642	166,424	717,218	170,810
Public safety contains 14 SBITA's; all of which help this office provide various safety and law enforcement activities. Terms range from 3 to 10 years, with interest ranging from 1.0% to 4.2%. 10 arrangements have annual payments that range from \$8,252 to \$70,211. 4 have monthly payments ranging from \$255 to \$1,160.	1,852,353	-	1,852,353	275,645	1,576,708	200,594
The Road department has two SBITA's that assist with engineering and road maintenance activities. Terms are between 9 and 10 years, with interest rates between 3.65% and 6.85%. Both have annual payments that range between \$4,500 and \$10,400.	134,096	-	134,096	17,374	116,722	8,155
Total SBITA liabilities	\$ 4,461,081	\$ -	\$ 4,461,081	\$ 797,753	\$ 3,663,328	\$ 595,498

Future maturities are as follows:

Fiscal year	Principal	Interest
2024	\$ 595,498	\$ 138,004
2025	541,541	117,440
2026	508,291	98,255
2027	363,998	82,009
2028	313,868	67,873
2029-33	1,278,585	134,848
2034-38	61,547	5,791
	\$ 3,663,328	\$ 644,220

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE

The County complies with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, by accounting for its Cobra retiree other post-employment benefits (OPEB) liability. To determine its Cobra retiree OPEB liability, the County obtains an actuarial valuation every two years.

The County's latest actuarial valuation was prepared July 14, 2023. The County's actuary is using an actuarial valuation date of July 1, 2022 with the results rolled forward to the measurement date of June 30, 2023.

Benefit Description - Until they become eligible for Medicare, the County allows retirees to continue health insurance coverage for themselves and their qualified dependents at the same rates as active employees, as required by ORS 243.303. Retirees must pay the entire premium in order to maintain coverage; the County does not directly contribute to the cost of premiums for retirees. However, premiums paid by retirees do not represent the full cost of providing health insurance to retirees because the County's rates are determined based on claims experience for both active employees and retirees. Since retirees typically have higher medical claims than active employees, medical coverage would be more expensive for retirees in a separately rated health plan. Conversely, active employees would be expected to generate lower medical claims resulting in lower premiums. The additional cost of allowing retirees to purchase health insurance at a blended rate is called an implicit rate subsidy and is required to be valued under GASB 75. The County treats this implicit rate subsidy as a single-employer, defined benefit OPEB plan administered by the County only to satisfy the accounting and financial reporting requirements of GASB 75, and a separate financial report is not issued. In addition to the requirements imposed by ORS 243.303, benefits provided to employees and retirees are established and may be amended by the County's board of commissioners in conjunction with various collective bargaining agreements.

Funding Policy - Retirees pay the entire cost of the premium at blended rates. The County's only contribution is the implicit rate subsidy which continues to be financed on a pay-as-you-go basis. Contribution requirements are established and may be amended by the County's board of commissioners in conjunction with various collective bargaining agreements. All County funds contribute to the pay-as you go basis. The County has not set aside any assets to pre-fund OPEB resulting from the implicit rate subsidy.

Actuarial Methods and Assumptions - The County engaged an actuary to perform an evaluation as of July 1, 2022 using entry age normal actuarial funding method. The Single Employer OPEB Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement: Discount rate per year 3.75%, general inflation rate 2.50%, payroll growth per year 3.50%, annual medical premium increase of 6.8% in 2022-2023, decreasing each year, until reaching 4.5% in 2041. Mortality rates were based on the PUB 2010 Employee Mortality Tables for General service active, General service retiree, Police & Fire active, and Police & Fire retiree employees as appropriate. Turnover rates were based on percentages as developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on percentages as developed for the valuation of benefits under Oregon PERS and vary by employee age. Retirement rates were based on percentages as developed for the valuation of benefits under Oregon PERS and vary by employee age. The retirement rates also vary between General Service employees and Safety employees.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE (continued)

Plan membership

As of July 1, 2022, there were 624 active employees and 7 eligible retirees receiving benefits, for a total of 631 plan participants.

Deferred inflows and outflows resulting from Cobra retiree OPEB

The County's Cobra retiree OPEB actuarial report shows a (\$106,231) decrease in deferred outflows, and a \$355,216 increase in deferred inflows for the year ended June 30, 2023, as compared to the prior year.

Changes in Medical benefit Cobra retiree OPEB liability

The calculation of changes in this OPEB liability are as follows:

	2023	2022	2021
Total OPEB liability at beginning of year	\$ 2,399,474	\$ 2,512,921	\$ 1,782,798
Changes for the year:			
Service cost	139,124	169,333	93,555
Interest	87,747	59,493	41,204
Differences between expected and actual experience	(499,543)	-	94,658
Changes in assumptions or other input	(77,094)	(266,029)	590,876
Benefit payments	(63,070)	(76,244)	(90,170)
Net changes for the year	(412,836)	(113,447)	730,123
Total OPEB liability at end of year	<u>\$ 1,986,638</u>	<u>\$ 2,399,474</u>	<u>\$ 2,512,921</u>
Estimated covered payroll	\$ 43,908,908	\$ 41,286,623	\$ 40,084,100
Total OPEB liability as a percentage of covered payroll	4.52%	5.81%	6.27%

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 3.75 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

June 30, 2023	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
Total OPEB Liability	\$ 2,160,281	\$ 1,986,638	\$ 1,826,500

The General fund has been used to liquidate OPEB Cobra healthcare liabilities in previous years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE (continued)

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 6.8 percent graded down to 4.5 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.8 percent graded down to 3.5 percent) or 1-percentage-point higher (7.8 percent graded down to 5.5 percent) than the current rate:

June 30, 2023	1% Decrease 5.80% Graded Down to 3.50%	Current Trend Rate 6.80% Graded Down to 4.50%	1% Increase 7.80% Graded Down to 5.50%
Total Cobra retiree OPEB Liability	\$ 1,744,638	\$ 1,986,638	\$ 2,274,597

Cobra retiree OPEB medical benefit schedule of deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,104	\$ 502,335
Changes of assumptions or other input	514,159	600,511
	<u>\$ 577,263</u>	<u>\$ 1,102,846</u>

Amounts reported as deferred outflows or inflows of resources related to Cobra retiree OPEB will be recognized in OPEB expense as follows:

<u>Fiscal years ending June 30.</u>	
2024	\$ (115,190)
2025	(115,190)
2026	(115,186)
2027	12,602
2028	(17,459)
Thereafter	(175,160)
Total	<u>\$ (525,583)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description - As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating counties are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The County's contributions to RHIA for the years ended June 30, 2023, 2022 and 2021 were \$7,035, \$9,937 and \$8,926, respectively, which equaled the required contributions each year.

At June 30, 2023, the County reported a net OPEB liability/(asset) of (\$1,432,662) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the County's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022 and 2021, the County's proportion was .403% and .334%, respectively. OPEB (revenue) recognized for the year ended June 30, 2023 was (\$321,554).

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (214,502)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(100,043)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	(7,009)
	<hr/>
Employer's Total OPEB Expense/(Income)	<u>\$ (321,554)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 38,824
Changes of assumptions	11,217	47,755
Net difference between projected and actual earnings on investments	-	109,259
Changes in proportionate share	-	202,541
Differences between County contributions and proportionate share of contributions	-	-
Subtotal	<hr/> 11,217	<hr/> 398,379
County contributions subsequent to the measurement date	7,035	-
Total	<hr/> <u>\$ 18,252</u>	<hr/> <u>\$ 398,379</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2024.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)

Amounts reported as deferred outflows or inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal years ending June 30,</u>	
2024	\$ (251,352)
2025	(101,854)
2026	(68,947)
2027	34,991
2028	-
Thereafter	<u>-</u>
Total	<u>\$ (387,162)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and is found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active membes: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)

Actuarial Methods and Assumptions (continued):

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)

Sensitivity of the County’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the County’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net OPEB liability (asset)	\$ (1,291,232)	\$ (1,432,662)	\$ (1,553,900)

The General fund has been used to liquidate OPEB RHIA liabilities in previous years.

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Balances of the County’s two OPEB plans are aggregated and displayed in the financial statements as follows:

	Other Postemployment Benefit Plan Healthcare (Footnote 12)	PERS Retirement Health Insurance Account RHIA (Footnote 13)	Aggregate Total
Net OPEB Asset	\$ -	\$ 1,432,662	\$ 1,432,662
Deferred outflows of resources	577,263	18,252	595,515
Total OPEB Liability	1,986,638	-	1,986,638
Deferred inflows of resources	1,102,846	398,379	1,501,225
OPEB expense (revenue)	48,611	(321,554)	(272,943)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN

Plan description. The County is a participating employer in the Oregon Public Employee Retirement System (PERS), a single cost-sharing multiple employer defined benefit pension plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Finacial-Report.pdf>

If the link is expired please contact Oregon PERS for this information.

PERS Pension-Chapter 238 (Tier One/Tier Two) Retirement Benefit. The ORS Chapter 238 Defined Benefit plan is closed to new members hired on or after August 29, 2003.

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- member was employed by a PERS employer at the time of death,
- member died within 120 days after termination of PERS-covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

OPSRP Pension Program-Chapter 238A (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$5,231,009 excluding amounts to fund employer specific liabilities. In addition \$2,913,142 in employee contributions were paid or picked up by the County in fiscal 2023.

At June 30, 2023, the County reported a net pension liability of \$74,572,893 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the County's proportion was .4870 percent and .4653 percent, respectively. Pension (revenue)/expense for the year ended June 30, 2023 was (\$1,641,770).

The rates in effect for the year ended June 30, 2023 were:

- Tier one/Tier two, 29.86%
- OPSRP general services, 23.43%
- Police and Fire, 27.79%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience	\$ 3,619,912	\$ 465,050
Changes in assumptions	11,700,890	106,900
Net difference between projected and actual earnings on pension plan investments	-	13,332,191
Changes in proportionate share	5,573,959	1,229,818
Differences between employer contributions and employer's proportionate share of system contributions	<u>44,351</u>	<u>7,170,644</u>
Subtotal	20,939,112	22,304,603
Contributions subsequent to the measurement date (MD)	<u>5,231,009</u>	<u>-</u>
Total	<u>\$ 26,170,121</u>	<u>\$ 22,304,603</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30.</u>	<u>Amount</u>
2024	\$ 493,207
2025	(1,832,486)
2026	(5,740,658)
2027	5,931,733
2028	(217,287)
Thereafter	<u>-</u>
Total	<u>\$ (1,365,491)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of living adjustment	Blend of 2% COLA and graded COLA (1.25% / .15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending on December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00%	25.00%	20.00%
Public Equity	25.00%	35.00%	30.00%
Real Estate	7.50%	17.50%	12.50%
Private Equity	15.00%	27.50%	20.00%
Risk Parity	0.00%	3.50%	2.50%
Real Assets	2.50%	10.00%	7.50%
Diversifying Strategies	2.50%	10.00%	7.50%
Opportunity Portfolio	0.00%	5.00%	0.00%
Total			100.00%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Linn County's proportionate share of the net pension liability	\$ 132,248,575	\$ 74,572,893	\$ 26,301,010

The General fund has been used to liquidate pension liabilities in previous years.

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the County for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the County.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the County are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the County pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

The County did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700. <http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

15. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for risks of loss including general liability, automobile liability, automobile physical damage, property coverage, workers' compensation, boiler and machinery, public official bond and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The County has an Unemployment Insurance Fund (an internal service fund) to account for self-financed unemployment insurance. Funds of the County participate in the program and payments are made to the fund based on estimates of amounts needed to pay claims. The claims liability of \$374,717 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount during the past three years were as follows:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Changes in Estimates</u>	<u>Payments</u>	<u>Ending Liability</u>
2022-23	\$ 348,398	\$ 54,285	\$ 27,966	\$ 374,717
2021-22	417,704	24,693	93,999	348,398
2020-21	95,451	564,543	242,290	417,704

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

16. CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The likely outcome of these suits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material effect on the County's General Fund.

17. COMMITMENTS

Linn County has the following active construction commitment projects as of June 30, 2023:

	<u>Spent to date</u>	<u>Remaining commitment</u>
Bridge/Road improvements	\$ 7,184,243	\$ 52,126,027
Additional road upgrades	137,237	110,000
Park improvements-Park department	358,731	1,030,656
Health department projects	82,135	181,184
Sheriff improvements-Sheriff department	<u>1,272,674</u>	<u>1,141,866</u>
Totals	<u>\$ 9,035,020</u>	<u>\$ 54,589,733</u>

Road and bridge improvements are funded primarily by state and federal grants.

18. JOINTLY GOVERNED ORGANIZATIONS

The County is a participant in two jointly governed organizations and manages the daily operations of each of them:

- Linn County Emergency Telephone Agency - the County does not have an equity interest in this organization.
- Linn Regional Fueling Facility - the County has a 30.64 percent interest in the equity of this organization.

Financial statements are available for these organizations as follows:

- Linn County Emergency Telephone Agency, 1115 Jackson Street SE, Albany, Oregon 97321;
- Linn Regional Fueling Facility, 3130 Ferry Street SW, Albany, Oregon 97321.

Both agencies have stable funding sources and any future liability to Linn County arising from normal operations is remote.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

19. PROPERTY TAX ABATEMENTS

As of June 30, 2023, Linn County had tax abatements through three programs: Nonprofit Low Income Rental Housing, Enterprise Zone, and Construction in Process in Enterprise Zone that impacted their levied taxes.

Nonprofit Corporation Low Income Rental Housing (ORS 307.541):

- This State of Oregon program allows property tax exemptions if the property is owned or being purchased by a corporation subject to section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a). In addition the property must be occupied by low income persons; or be held for the purpose of developing low income housing. For further discussion, please refer to ORS 307.541.

Enterprise Zone (ORS 285C.175):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.
- The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Construction in Process in Enterprise Zone (ORS 285C.170):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone.
To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

19. PROPERTY TAX ABATEMENTS (continued)

For the fiscal year ended June 30, 2023, Linn County had abated property taxes totaling \$629,210 under these programs.

<u>Program</u>	<u>ORS</u>	<u>Code Area</u>	<u>Exempt/ Abated Value*</u>	<u>Linn County Tax Rate</u>	<u>Linn County Local Option I Tax Rate</u>	<u>Consolidated Linn County Tax Rate</u>	<u>Tax Abatement</u>
Nonprofit low income rental housing							
Linn County	307.541	Code 801	4,883,280	0.0011683	0.0029800	0.0041483	\$ 20,257
			4,883,280				
Enterprise zone							
Linn County	285C.175	Code 801	39,511,780	0.0011683	0.0029800	0.0041483	163,907
Linn County		Code 807	27,522,010	0.0012736	0.0029800	0.0042536	117,068
Linn County		Code 808	25,791,330	0.0012736	0.0029800	0.0042536	109,706
Linn County		Code 811	642,040	0.0012736	0.0029800	0.0042536	2,731
Linn County		Code 846	5,597,980	0.0011683	0.0029800	0.0041483	23,222
Linn County		Code 5501	25,280	0.0012736	0.0029800	0.0042536	108
Linn County		Code 1270	10,938,190	0.0012736	0.0029800	0.0042536	46,527
Linn County		Code 1270	1,106,940	0.0012736	0.0029800	0.0042536	4,708
			111,135,550				
Construction in process in enterprise zone							
Linn County	285C.170	Code 805	32,055,240	0.0012736	0.0029800	0.0042536	136,350
Linn County		Code 808	653,310	0.0012736	0.0029800	0.0042536	2,779
Linn County		Code 1270	434,240	0.0012736	0.0029800	0.0042536	1,847
			33,142,790				
Total Linn County Tax Abatement							\$ 629,210

*Information provided by Linn County Tax & Assessment office.

20. BEGINNING BALANCE ADJUSTMENT

In the current year beginning balance adjustments were needed for the General grant fund and the Health services fund in the amount of \$16,734,095. This was to account for pandemic era grants that remain unspent at year end. These grants have the potential of being returned to the granting agency and therefore should not be shown as revenue, but as unearned at year end.

REQUIRED SUPPLEMENTARY INFORMATION

Linn County, Oregon
Road Department
Planned versus Actual Road Maintenance
Five Years - 2019-2023

Fiscal Year (Ending June 30)					
	2022-23	2021-22	2020-21	2019-20	2018-19
Arterials:					
Planned	\$ 715,468	\$ 710,120	\$ 703,882	\$ 742,908	\$ 664,983
Actual	\$ 692,859	\$ 704,929	\$ 705,556	\$ 740,028	\$ 655,354
Collectors:					
Planned	\$ 5,842,989	\$ 5,799,316	\$ 5,830,038	\$ 6,067,082	\$ 5,430,692
Actual	\$ 5,658,345	\$ 5,756,920	\$ 5,762,039	\$ 6,043,563	\$ 5,352,063
Local:					
Planned	\$ 5,366,010	\$ 5,325,903	\$ 5,354,116	\$ 5,571,810	\$ 4,987,370
Actual	\$ 5,196,440	\$ 5,286,967	\$ 5,291,669	\$ 5,550,211	\$ 4,915,160
Total all roads:					
Planned	\$ 11,924,467	\$ 11,835,339	\$ 11,888,036	\$ 12,381,800	\$ 11,083,045
Actual	\$ 11,547,644	\$ 11,748,816	\$ 11,759,264	\$ 12,333,802	\$ 10,922,577
Difference	\$ 376,823	\$ 86,523	\$ 128,772	\$ 47,998	\$ 160,468

Notes:

Linn County's Gravel roads are not included above amounts as they are on a depreciation schedule. The above amounts are derived from reports produced through the IRIS cost accounting system for actual and the Road department budget documents for planned.

Pavement Condition Index (weighted average)			
Functional Class	2022	2020	2018
Arterial	76.6	83.2	82.0
Collector	81.5	80.9	81.2
Residential / Local	76.4	78.5	78

The pavement condition index (PCI) for each road segment is calculated using the Street Saver Pavement Management System from the Metropolitan Transportation Commission. The PCI is based on a scale of 0 to 100 where 100 is considered a new pavement and 0 is considered completely failed. The PCI value is obtained by subtracting points based on several distress factors noted during the visual inspection of the pavement. The PCI is used to classify pavements as very good (100-85), good (84-60), poor (59-35), and very poor (34-0). Linn County has adopted a policy of maintaining its road network at a condition level of good or better (PCI of 65 or above) on a weighted average basis.

Moderate fluctuations in PCI are normal and are the result of the statistical sampling process as well as maintenance performed between the inspection cycles. The 2022 pavement inspection data is the most recent and is reflected in the table above. An algorithm calculates depreciation over time from that last inspection, as modified by data input from more recent maintenance treatments. The next scheduled pavement inspection cycle is summer 2024.

LINN COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OTHER POST EMPLOYMENT
BENEFIT (OPEB) LIABILITY AND RELATED RATIOS
HEALTHCARE
LAST TEN FISCAL YEARS*

At June 30,	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 139,124	\$ 169,333	\$ 93,555	\$ 90,391	\$ 128,184	\$ 124,450	\$ 124,450
Interest on total OPEB liability	87,747	59,493	41,204	61,142	74,461	69,852	67,498
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(499,543)	-	94,658	-	(155,462)	-	-
Changes of assumptions or other input	(77,094)	(266,029)	590,876	240,481	(866,862)	-	-
Benefit payments	(63,070)	(76,244)	(90,170)	(94,767)	(97,273)	(115,947)	(111,048)
Net change in total OPEB liability	(412,836)	(113,447)	730,123	297,247	(916,952)	78,355	80,900
Total OPEB liability - beginning of year	2,399,474	2,512,921	1,782,798	1,485,551	2,402,503	2,324,148	2,243,248
Total OPEB liability - end of year	<u>\$ 1,986,638</u>	<u>\$ 2,399,474</u>	<u>\$ 2,512,921</u>	<u>\$ 1,782,798</u>	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>	<u>\$ 2,324,148</u>
Covered employee payroll	\$44,499,591	\$44,071,475	\$41,365,737	\$39,267,851	39,671,124	37,957,371	35,166,218
Total OPEB liability as a percentage of covered employee payroll	4.46%	5.44%	6.07%	4.54%	3.74%	6.33%	6.61%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER
 POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY (ASSET)
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 RETIREE HEALTH INSURANCE ACCOUNT (RHIA)
 Last ten fiscal years*

1. Schedule of the Proportionate Share of the Net OPEB Liability (Asset) for RHIA

Years ended June 30,	Proportion of the collective net OPEB liability (asset)	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net OPEB liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.40318606	\$ (1,432,662)	\$ 44,499,591	-3.219%	194.6%
2022	0.33358832	(1,145,544)	44,071,475	-2.599%	183.9%
2021	0.14243077	(290,217)	41,365,737	-0.702%	150.1%
2020	0.36669232	(708,592)	39,267,851	-1.805%	144.4%
2019	0.37465065	(418,212)	39,671,124	-1.054%	124.0%

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

**SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
RETIREE HEALTH INSURANCE ACCOUNT (RHIA)
Last ten fiscal years***

2. Schedule of OPEB Contributions for RHIA

Years ended June 30,	Contractually required contributions	Contractually required contributions recognized by the plan	Difference	Covered payroll	Contractually required contributions as a percentage of covered payroll
2023	\$ 7,035	\$ 7,035	\$ -	\$ 49,192,610	0.0143%
2022	9,937	9,937	-	44,499,591	0.0223%
2021	8,926	8,926	-	44,071,475	0.0203%
2020	10,171	10,171	-	41,365,737	0.0246%
2019	181,740	181,740	-	39,267,851	0.4628%

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last ten fiscal years

Years ended June 30,	Proportion of the collective net pension liability (asset)	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net pension liability (asset) as a percentage of covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2023	0.4870	\$ 74,572,893	\$ 44,499,591	167.6%	84.5%
2022	0.4653	55,677,709	44,071,475	126.3%	87.6%
2021	0.4496	98,117,728	41,365,737	237.2%	75.8%
2020	0.4679	80,928,024	39,267,851	206.1%	80.2%
2019	0.4347	65,855,687	39,671,124	166.0%	82.1%
2018	0.4555	61,406,151	37,957,371	161.8%	83.1%
2017	0.4865	73,028,662	35,166,218	207.7%	80.5%
2016	0.5420	31,119,510	32,712,922	95.1%	91.9%
2015	0.5419	(12,283,908)	30,765,157	-39.9%	103.6%
2014	0.5419	27,655,258	30,446,370	90.8%	92.0%

LINN COUNTY, OREGON

SCHEDULE OF PENSION CONTRIBUTIONS
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last ten fiscal years

Years ended June 30,	Contractually required contributions	Contractually required contributions recognized by the plan	Difference	Covered payroll	Contractually required contributions as a percentage of covered payroll
2023	\$ 5,231,009	\$ 5,231,009	-	\$ 49,192,610	10.63%
2022	4,786,775	4,786,775	-	44,499,591	10.76%
2021	5,413,027	5,413,027	-	44,071,475	12.28%
2020	5,207,008	5,207,008	-	41,365,737	12.59%
2019	4,921,646	4,921,646	-	39,267,851	12.53%
2018	4,994,324	4,994,324	-	39,671,124	12.59%
2017	4,389,239	4,389,239	-	37,957,371	11.56%
2016	4,262,510	4,262,510	-	35,166,218	12.12%
2015	2,572,876	2,572,876	-	32,712,922	7.87%
2014	2,480,357	2,480,357	-	30,765,157	8.06%

SUPPLEMENTARY INFORMATION

Combining Financial Statements and Individual Fund Schedules

LINN COUNTY, OREGON

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2023

	County Fair	Law Library	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
ASSETS									
Cash and investments	\$ 120,076	\$ 158,196	\$ 292,518	\$ 330,861	\$ 13,535	\$ 893,674	\$ -	\$ -	\$ 1,808,860
Due from other governments	-	-	-	-	-	-	165,713	-	165,713
Interest receivable	-	-	1,812	2,050	-	5,537	-	-	9,399
TOTAL ASSETS	\$ 120,076	\$ 158,196	\$ 294,330	\$ 332,911	\$ 13,535	\$ 899,211	\$ 165,713	\$ -	\$ 1,983,972
LIABILITIES									
Accounts payable	\$ 12,793	\$ 777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,570
Due to other funds	1,921	-	-	-	-	-	-	-	1,921
Unearned revenue	-	-	1,378	1,559	-	4,190	-	-	7,127
Accrued payroll, payroll taxes and benefits	-	5,820	-	-	-	-	-	-	5,820
TOTAL LIABILITIES	14,714	6,597	1,378	1,559	-	4,190	-	-	28,438
FUND BALANCES									
Restricted for:									
Grants/ minor funds	105,362	151,599	292,952	331,352	13,535	895,021	165,713	-	1,955,534
TOTAL FUND BALANCES	105,362	151,599	292,952	331,352	13,535	895,021	165,713	-	1,955,534
TOTAL LIABILITIES AND FUND BALANCES	\$ 120,076	\$ 158,196	\$ 294,330	\$ 332,911	\$ 13,535	\$ 899,211	\$ 165,713	\$ -	\$ 1,983,972

LINN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2023

	County Fair	Law Library	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
REVENUES									
Intergovernmental	\$ 53,167	\$ 150,710	\$ 121,681	\$ -	\$ -	\$ -	\$ 1,099,232	\$ 55,560	\$ 1,480,350
Charges for services	365,087	57	-	-	-	173,809	-	-	538,953
Licenses, permits, fines and fees	131,350	-	-	-	-	-	-	-	131,350
Investment earnings	2,802	5,846	7,828	11,817	4,070	30,412	2,620	414	65,809
Miscellaneous	2,017	-	-	-	10,080	10,000	-	-	22,097
TOTAL REVENUES	<u>554,423</u>	<u>156,613</u>	<u>129,509</u>	<u>11,817</u>	<u>14,150</u>	<u>214,221</u>	<u>1,101,852</u>	<u>55,974</u>	<u>2,238,559</u>
EXPENDITURES									
Public safety	-	125,746	-	-	-	-	-	111,485	237,231
Community development	692,023	-	-	3,461	2,574	85,176	-	-	783,234
Apportionments to school districts	-	-	-	-	-	-	1,062,740	-	1,062,740
Debt service	-	9,101	-	-	-	-	-	-	9,101
Capital outlay	-	33,263	-	-	-	117,839	-	-	151,102
TOTAL EXPENDITURES	<u>692,023</u>	<u>168,110</u>	<u>-</u>	<u>3,461</u>	<u>2,574</u>	<u>203,015</u>	<u>1,062,740</u>	<u>111,485</u>	<u>2,243,408</u>
Excess (deficiency) of revenues over expenditures	<u>(137,600)</u>	<u>(11,497)</u>	<u>129,509</u>	<u>8,356</u>	<u>11,576</u>	<u>11,206</u>	<u>39,112</u>	<u>(55,511)</u>	<u>(4,849)</u>
OTHER FINANCING SOURCES (USES)									
SBITA financing	-	24,422	-	-	-	-	-	-	24,422
Transfers in	60,000	6,287	-	132,326	-	-	-	-	198,613
Transfers out	-	(19,248)	-	(238,117)	-	-	-	(10,945)	(268,310)
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,000</u>	<u>11,461</u>	<u>-</u>	<u>(105,791)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,945)</u>	<u>(45,275)</u>
Net change in fund balances	(77,600)	(36)	129,509	(97,435)	11,576	11,206	39,112	(66,456)	(50,124)
Fund balances at beginning of year	<u>182,962</u>	<u>151,635</u>	<u>163,443</u>	<u>428,787</u>	<u>1,959</u>	<u>883,815</u>	<u>126,601</u>	<u>66,456</u>	<u>2,005,658</u>
Fund balances at end of year	<u>\$ 105,362</u>	<u>\$ 151,599</u>	<u>\$ 292,952</u>	<u>\$ 331,352</u>	<u>\$ 13,535</u>	<u>\$ 895,021</u>	<u>\$ 165,713</u>	<u>\$ -</u>	<u>\$ 1,955,534</u>

LINN COUNTY, OREGON

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue funds account for specific revenues that are legally restricted for particular expenditure purposes.

The following special revenue funds are reported as non-major funds by the County:

County Fair – Financial activities of the fair are accounted for in this fund. Primary sources of revenue include state apportionments, operation of the annual fair and transfers from the County General Fund. Expenditures are primarily for administration, operation of the fair and maintenance of fair buildings and grounds.

Law Library – This fund is used to account for moneys collected which are restricted for the purpose of providing the County with a law library. Revenue is derived from court fees, a portion of which is specified for the Law Library Fund. Expenditures are for the operation and maintenance of the law library.

Bike Trails – Designated Oregon highway tax apportionments for the construction of bike trails are accounted for in this fund.

Corner Preservation – This fund was established to account for expenses incurred or authorized by the County Surveyor in the restoration of government corners. Fund revenues are generated by fee charges for filing and recording instruments under ORS 205.130(2).

Historical Restoration – The fund was created for the purpose of restoring and preserving the Moyer House. The Moyer House is a museum located in the community of Brownsville.

County Forest/Park – The fund was created to accept all proceeds from the sale of timber products or mineral resources from land included in the Forest/Park System. The fund is used to pay the expense of administering, operating and acquiring property for the Forest/Park System, or for development of and operating the County Park System.

County School – Revenues of this fund consist primarily of 25% of federal and state forestland sales as required by law. Other state taxes make up the remainder of revenues. Proceeds are redistributed to County school districts to be used for educational programs.

Federal Forest – Revenues of this fund consist of sales proceeds from federal forestland sales. These proceeds are restricted to the juvenile department and sheriff's office to cover maintenance and patrol costs incurred on federal lands.

LINN COUNTY, OREGON

COUNTY FAIR - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 53,100	\$ 53,100	\$ 53,167	\$ 67
Charges for services	290,100	290,100	365,087	74,987
Licenses, permits, fines and fees	123,000	123,000	131,350	8,350
Interest earnings	300	300	1,618	1,318
Miscellaneous	500	500	2,017	1,517
TOTAL REVENUES	<u>467,000</u>	<u>467,000</u>	<u>553,239</u>	<u>86,239</u>
EXPENDITURES				
Materials and services	<u>527,000</u>	<u>702,000</u>	<u>684,621</u>	<u>17,379</u>
Excess (deficiency) of revenues over expenditures	<u>(60,000)</u>	<u>(235,000)</u>	<u>(131,382)</u>	<u>103,618</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	-	(175,000)	(71,382)	103,618
Fund balance at beginning of year	-	175,000	191,458	16,458
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,076</u>	<u>\$ 120,076</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 120,076	
Accounts payable			(12,793)	
Due to other funds			(1,921)	
Fund balance (GAAP basis) at end of year			<u>\$ 105,362</u>	

LINN COUNTY, OREGON

LAW LIBRARY - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 114,406	\$ 143,406	\$ 150,710	\$ 7,304
Charges for services	85	85	57	(28)
Interest earnings	1,000	1,000	4,859	3,859
Miscellaneous	10	10	-	(10)
TOTAL REVENUES	<u>115,501</u>	<u>144,501</u>	<u>155,626</u>	<u>11,125</u>
EXPENDITURES				
Personal services	75,129	80,129	72,450	7,679
Materials and services	48,004	72,004	71,641	363
Capital outlay	2,000	2,000	-	2,000
Contingency	146,120	146,120	-	146,120
TOTAL EXPENDITURES	<u>271,253</u>	<u>300,253</u>	<u>144,091</u>	<u>156,162</u>
Excess (deficiency) of revenues over expenditures	<u>(155,752)</u>	<u>(155,752)</u>	<u>11,535</u>	<u>167,287</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,000	9,000	6,287	(2,713)
Transfers out	<u>(19,248)</u>	<u>(19,248)</u>	<u>(19,248)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,248)</u>	<u>(10,248)</u>	<u>(12,961)</u>	<u>(2,713)</u>
Net change in fund balance	(166,000)	(166,000)	(1,426)	164,574
Fund balance at beginning of year	166,000	166,000	159,622	(6,378)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,196</u>	<u>\$ 158,196</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 158,196	
Accounts payable			(777)	
Accrued payroll, payroll taxes and benefits			(5,820)	
Fund balance (GAAP basis) at end of year			<u>\$ 151,599</u>	

LINN COUNTY, OREGON

BIKE TRAILS - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 113,168	\$ 113,168	\$ 121,681	\$ 8,513
Interest earnings	1,200	1,200	6,695	5,495
TOTAL REVENUES	<u>114,368</u>	<u>114,368</u>	<u>128,376</u>	<u>14,008</u>
EXPENDITURES				
Capital outlay	<u>114,368</u>	<u>114,368</u>	<u>-</u>	<u>114,368</u>
Net change in fund balance	-	-	128,376	128,376
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>164,460</u>	<u>164,460</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,836</u>	<u>\$ 292,836</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 292,836	
Fair market value adjustment on investments			(318)	
Interest accrued and available			434	
Fund balance (GAAP basis) at end of year			<u>\$ 292,952</u>	

LINN COUNTY, OREGON

CORNER PRESERVATION - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON GAAP-BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 2,000	\$ 2,000	\$ 9,017	\$ 7,017
EXPENDITURES				
Materials and services	15,202	15,202	962	14,240
Capital outlay	113,501	113,501	2,499	111,002
Contingency	99,983	99,983	-	99,983
TOTAL EXPENDITURES	<u>228,686</u>	<u>228,686</u>	<u>3,461</u>	<u>225,225</u>
Excess (deficiency) of revenues over expenditures	<u>(226,686)</u>	<u>(226,686)</u>	<u>5,556</u>	<u>232,242</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	199,854	199,854	132,326	(67,528)
Transfers out	<u>(232,691)</u>	<u>(232,691)</u>	<u>(238,117)</u>	<u>(5,426)</u>
Total other financing sources (uses)	<u>(32,837)</u>	<u>(32,837)</u>	<u>(105,791)</u>	<u>(72,954)</u>
Net change in fund balance	(259,523)	(259,523)	(100,235)	159,288
Fund balance at beginning of year	<u>416,530</u>	<u>416,530</u>	<u>431,456</u>	<u>14,926</u>
Fund balance at end of year	<u>\$ 157,007</u>	<u>\$ 157,007</u>	<u>\$ 331,221</u>	<u>\$ 174,214</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 331,221	
Fair market value adjustment on investments			(360)	
Interest accrued and available			<u>491</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 331,352</u>	

LINN COUNTY, OREGON

HISTORICAL RESTORATION - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 50	\$ 50	\$ 4,070	\$ 4,020
Miscellaneous	35,500	35,500	10,080	(25,420)
TOTAL REVENUES	<u>35,550</u>	<u>35,550</u>	<u>14,150</u>	<u>(21,400)</u>
EXPENDITURES				
Materials and services	2,501	2,501	-	2,501
Capital outlay	35,000	35,000	2,574	32,426
TOTAL EXPENDITURES	<u>37,501</u>	<u>37,501</u>	<u>2,574</u>	<u>34,927</u>
Net change in fund balance	(1,951)	(1,951)	11,576	13,527
Fund balance at beginning of year	<u>1,951</u>	<u>1,951</u>	<u>1,959</u>	<u>8</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,535</u>	<u>\$ 13,535</u>

LINN COUNTY, OREGON

COUNTY FOREST/PARK - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP GUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 35,000	\$ 35,000	\$ 173,809	\$ 138,809
Interest earnings	2,500	2,500	24,476	21,976
Miscellaneous	500	500	10,000	9,500
TOTAL REVENUES	<u>38,000</u>	<u>38,000</u>	<u>208,285</u>	<u>170,285</u>
EXPENDITURES				
Materials and services	60,000	60,000	18,154	41,846
Capital outlay	1,003,000	1,003,000	194,718	808,282
TOTAL EXPENDITURES	<u>1,063,000</u>	<u>1,063,000</u>	<u>212,872</u>	<u>850,128</u>
Net change in fund balance	(1,025,000)	(1,025,000)	(4,587)	1,020,413
Fund balance at beginning of year	1,025,000	1,025,000	899,234	(125,766)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 894,647</u>	<u>\$ 894,647</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 894,647	
Fair market value adjustment on investments			(973)	
Interest accrued and available			1,347	
Fund balance (GAAP basis) at end of year			<u>\$ 895,021</u>	

LINN COUNTY, OREGON

COUNTY SCHOOL - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,965,000	\$ 1,965,000	\$ 1,060,120	\$ (904,880)
Interest earnings	800	800	2,620	1,820
Miscellaneous	300	300	-	(300)
TOTAL REVENUES	<u>1,966,100</u>	<u>1,966,100</u>	<u>1,062,740</u>	<u>(903,360)</u>
EXPENDITURES				
Materials and services	<u>1,966,100</u>	<u>1,966,100</u>	<u>1,062,740</u>	<u>903,360</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ -	
Due from other governments and available			<u>165,713</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 165,713</u>	

LINN COUNTY, OREGON

**FEDERAL FOREST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 258,000	\$ 258,000	\$ 55,560	\$ (202,440)
EXPENDITURES				
Materials and services	88,000	113,500	111,485	2,015
Excess (deficiency) of revenues over expenditures	170,000	144,500	(55,925)	(200,425)
OTHER FINANCING SOURCES (USES):				
Transfers out	(170,000)	(170,000)	(10,945)	159,055
Net change in fund balance	-	(25,500)	(66,870)	(41,370)
Fund balance at beginning of year	-	25,500	66,870	41,370
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LINN COUNTY, OREGON

INTERNAL SERVICE FUND

Insurance – This department was created in fiscal year 2021-22. This department is self-financed by monthly contributions from all County departments that have employees. This department pays all County insurance premiums including commercial general liability, auto comprehensive liability, property, equipment, and various other insurance coverages.

Unemployment Insurance – This department was created in fiscal year 1990-91 with initial funding obtained through action by the County Commissioners who requested monies that had accumulated in the State Employment Division Local Government Benefit Trust Fund. Currently this department is self-financed by monthly contributions from all County departments that have employees. Expenditures from this department pay all current year County unemployment claims.

LINN COUNTY, OREGON

INTERNAL SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 556,000	\$ 556,000	\$ 725,583	\$ 169,583
Interest earnings	4,000	4,000	38,076	34,076
TOTAL REVENUES	<u>560,000</u>	<u>560,000</u>	<u>763,659</u>	<u>203,659</u>
EXPENDITURES				
INSURANCE				
Materials and services	895,000	895,000	125,787	769,213
UNEMPLOYMENT				
Materials and services	243,000	243,000	14,708	228,292
Contingency	443,957	443,957	-	443,957
TOTAL EXPENDITURES	<u>1,581,957</u>	<u>1,581,957</u>	<u>140,495</u>	<u>1,441,462</u>
Excess (deficiency) of revenues over expenditures	<u>(1,021,957)</u>	<u>(1,021,957)</u>	<u>623,164</u>	<u>1,645,121</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1)	(1)	-	1
Net change in fund balance	(1,021,958)	(1,021,958)	623,164	1,645,122
Fund balance at beginning of year	1,021,958	1,021,958	1,006,841	(15,117)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,630,005</u>	<u>\$ 1,630,005</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 1,630,005	
Fair market value adjustment on investments			(1,773)	
Due from other funds and available			62,001	
Interest due and available			2,417	
Prepaid expense			174,266	
Accounts payable			(1,197)	
Due to other governments			(9,765)	
Claims liability			(374,717)	
Net position (GAAP basis) at end of year			<u>\$ 1,481,237</u>	

LINN COUNTY, OREGON

OTHER SCHEDULES

Financial schedules in this subsection display accountability for elected officials and property tax transactions.

LINN COUNTY, OREGON

SCHEDULE OF ACCOUNTABILITY FOR ELECTED OFFICIALS
For the Year Ended June 30, 2023

	Assessor/ Tax Collector	Clerk	Commis- sioners	District Attorney	Central Linn/ Justice Courts	Sheriff	Surveyor	Treasurer	Totals
On hand - June 30, 2022	\$ 1,020	\$ 20,074	\$ -	\$ 2,000	\$ 300	\$ 130	\$ 50	\$ 88,691,522	\$ 88,715,096
Receipts	595,927	980,936	3,573,799	488,806	1,209,178	6,659,263	154,893	258,737,005	272,399,807
Turnovers and disbursements:									
To County Treasurer	(595,927)	(980,816)	(3,573,799)	(488,806)	(1,209,178)	-	(154,893)	-	(7,003,419)
To Others	-	-	-	-	-	(6,659,263)	-	(247,254,542)	(253,913,805)
On hand - June 30, 2023 (1)	<u>\$ 1,020</u>	<u>\$ 20,194</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 100,173,985</u>	<u>\$ 100,197,679</u>
(1) Consists of:									
Deposits with County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,580,529	\$ 10,580,529
Deposits with Local Government									
Investment Pool	-	-	-	-	-	-	-	49,794,049	49,794,049
Investments with Key Bank	-	-	-	-	-	-	-	37,738,987	37,738,987
Investments with Oregon Community Credit Union	-	-	-	-	-	-	-	2,034,811	2,034,811
Change and revolving funds	1,020	20,194	-	2,000	300	130	50	25,609	49,303
Totals	<u>\$ 1,020</u>	<u>\$ 20,194</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 100,173,985</u>	<u>\$ 100,197,679</u>

LINN COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2023

Tax Year	Receivable June 30, 2022	Current Levy	Discounts Allowed	Interest on Delinquent Taxes	Cash Collections	Corrections and Adjustments	Receivable June 30, 2023
2022-23		\$ 213,099,033	\$ 5,711,413	\$ 66,686	\$ 202,991,935	\$ (197,464)	\$ 4,264,907
2021-22	3,747,293	-	2,670	\$ 138,036	1,721,321	(310,504)	1,850,834
2020-21	1,787,639	-	(2,695)	124,229	607,152	(234,253)	1,073,158
2019-20	1,056,448	-	(3,525)	165,748	481,433	(300,441)	443,847
2018-19	444,445	-	(3,123)	119,354	238,605	(238,489)	89,828
2017-18	130,389	-	-	28,854	55,922	(43,065)	60,256
2016-17	72,945	-	-	19,262	30,630	(29,223)	32,354
prior	180,386	-	-	4,068	4,227	(3,077)	177,150
Totals	\$ 7,419,545	\$ 213,099,033	\$ 5,704,740	\$ 666,237	\$ 206,131,225	\$ (1,356,516)	\$ 7,992,334

Fund	Receivable June 30, 2023
General	\$ 592,352
Law Enforcement 4-Year Levy	1,262,069
Governmental funds subtotal	1,854,421
Fiduciary fund	6,137,913
Grand total all funds	<u>\$ 7,992,334</u>

STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

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Financial Trends

102-107

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

108-111

These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.

Debt Capacity

112-115

These schedules present information to help the reader assess the affordability of the county's current level of outstanding debt and the County's ability to issue debt in the future.

Demographic and Economic Information

116-118

These schedules present information to help the reader understand the environment within which the county's financial activities take place.

Operating Information

119-121

These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

LINN COUNTY, OREGON
Net Position by Component
Last Ten Fiscal Years
 (amounts expressed in thousands)

	Fiscal Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 242,513	\$ 236,989	\$ 232,565	\$ 230,728	\$ 218,626	\$ 215,418	\$ 210,236	\$ 199,587	\$ 192,271	\$ 187,332
Restricted	57,677	43,121	34,869	17,505	23,318	21,059	18,697	16,355	31,758	29,338
Unrestricted	(61,389)	(44,297)	(52,924)	(57,960)	(52,007)	(44,646)	(37,860)	(23,029)	(10,081)	(3,933)
Total net position	\$ 238,801	\$ 235,813	\$ 214,510	\$ 190,273	\$ 189,937	\$ 191,831	\$ 191,073	\$ 192,913	\$ 213,948	\$ 212,737

LINN COUNTY, OREGON
Changes in Net Position
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities										
General administration and support	\$ 14,469	\$ 23,087	\$ 24,738	\$ 11,484	\$ 9,263	\$ 8,375	\$ 8,338	\$ 8,236	\$ 5,480	\$ 5,767
Local government services	5,779	6,017	6,271	6,209	5,560	5,760	4,761	5,950	4,409	5,217
Public safety	46,453	42,241	47,089	46,117	42,132	38,696	36,889	46,278	22,864	30,427
Health services	34,014	26,810	29,407	28,619	25,798	29,166	28,925	32,142	20,536	20,725
Community development	9,822	9,516	9,121	8,946	8,232	9,561	8,946	9,677	6,171	6,846
Highways and streets	14,421	13,602	12,960	16,204	15,397	13,759	12,713	13,380	9,590	9,606
Interest on long term debt	101	9	-	-	-	-	-	-	-	279
Total expenses	\$ 125,059	\$ 121,282	\$ 129,586	\$ 117,579	\$ 106,382	\$ 105,317	\$ 100,572	\$ 115,663	\$ 69,050	\$ 78,867
Program Revenues										
Governmental Activities										
Fees, Fines, and Charges for service										
General government	\$ 2,358	\$ 5,831	\$ 2,890	\$ 2,693	\$ 1,545	\$ 1,608	\$ 1,419	\$ 1,529	\$ 1,519	\$ 1,093
Public Safety	2,828	2,271	2,450	2,620	2,760	3,133	2,360	3,257	2,559	2,466
Health services	2,772	1,542	1,610	2,596	1,396	1,164	907	1,072	1,021	952
Roads	233	251	244	441	1,921	2,744	4,330	2,942	2,615	2,735
Community Development	6,399	5,336	4,757	5,544	4,050	4,172	3,002	3,125	3,084	2,558
Operating Grants and Contributions	71,430	74,977	82,738	56,505	41,764	40,731	40,852	37,357	39,490	35,718
Capital Grants and Contributions	-	-	-	700	-	-	-	-	-	-
Total program revenues	\$ 86,020	\$ 90,208	\$ 94,689	\$ 71,099	\$ 53,436	\$ 53,552	\$ 52,870	\$ 49,282	\$ 50,288	\$ 45,522
Total net (expense) / revenue	\$ (39,039)	\$ (31,074)	\$ (34,897)	\$ (46,480)	\$ (52,946)	\$ (51,765)	\$ (47,702)	\$ (66,381)	\$ (18,762)	\$ (33,345)
General Revenues										
Governmental activities:										
Property taxes	\$ 48,953	\$ 44,121	\$ 42,842	\$ 41,572	\$ 39,102	\$ 36,808	\$ 34,023	\$ 31,765	\$ 30,077	\$ 27,561
Unrestricted grants and contributions	4,693	4,926	5,436	3,712	11,264	15,320	11,680	13,267	12,569	15,876
Interest and investment earnings	1,809	(256)	226	485	649	395	159	314	80	416
Miscellaneous revenue	3,307	3,578	8,022	563	37	-	-	-	-	-
Gain on sale of capital assets	-	9	2,949	-	-	-	-	-	-	-
Total general revenues	\$ 58,762	\$ 52,378	\$ 59,475	\$ 46,332	\$ 51,052	\$ 52,523	\$ 45,862	\$ 45,346	\$ 42,726	\$ 43,853
Total change in net position- governmental activities	\$ 19,722	\$ 21,304	\$ 24,578	\$ (148)	\$ (1,894)	\$ 758	\$ (1,840)	\$ (21,035)	\$ 23,964	\$ 10,508

LINN COUNTY, OREGON
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Non spendable										
Committed to										
Interfund loan										
Assigned to										
Unassigned	\$ 5,160	\$ 3,107	\$ (748)	\$ (13,214)	\$ (7,488)	\$ (7,810)	\$ (9,041)	\$ (7,197)	\$ (6,284)	\$ (5,514)
Total general fund	5,160	3,107	(748)	(13,214)	(7,488)	(7,810)	(9,041)	(7,197)	(6,284)	(5,514)
All other governmental funds										
Non spendable:										
Inventories	2,275	2,171	2,319	1,749	1,770	1,829	1,950	1,327	1,076	1,299
Committed:										
Interfund loans	1,000	4,976	6,498	15,694	8,686	11,830	13,653	15,610	13,747	14,613
Capital projects	-	-	-	-	-	-	-	-	-	-
Restricted:										
Highways and streets	21,417	17,039	15,319	7,258	16,146	14,723	15,669	16,432	20,840	20,318
Public safety	8,494	6,383	4,971	3,638	3,351	1,841	334			
Health services	22,271	17,528	12,259	4,861	2,050	2,126	2,838	7,590	8,012	6,059
Grants/non-major funds	7,859	24,521	19,862	5,927	2,244	2,381	1,842	1,575	1,831	1,662
Unassigned	-	-	-	(954)	(2,736)	(4,403)	(5,812)	(7,434)	(9,156)	(10,868)
Total all other governmental funds	\$ 63,316	\$ 72,618	\$ 61,228	\$ 38,173	\$ 31,511	\$ 30,327	\$ 30,474	\$ 35,100	\$ 36,350	\$ 33,083

LINN COUNTY, OREGON
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 48,186	\$ 44,795	\$ 42,988	\$ 41,588	\$ 40,417	\$ 36,867	\$ 33,841	\$ 31,577	\$ 29,853	\$ 27,100
Intergovernmental	74,945	79,974	88,454	59,744	52,561	55,725	50,247	50,393	51,292	50,827
Charges for services	8,312	8,470	5,428	9,617	7,671	7,358	7,774	7,155	6,479	5,940
Licenses, permits, fines and fees	5,340	6,087	6,278	4,756	5,114	4,905	5,183	4,770	4,321	3,959
Investment earnings	2,918	(153)	498	702	853	627	413	521	325	422
Miscellaneous	1,696	3,529	1,798	563	2,026	2,446	2,445	2,058	1,962	1,961
Total revenues	141,397	142,702	145,444	116,970	108,642	107,928	99,903	96,474	94,232	90,209
Expenditures										
General administration and support	13,697	22,907	16,465	10,106	8,251	7,672	7,224	6,313	5,994	5,094
Local government services	4,602	4,441	4,254	3,956	3,701	3,731	3,638	3,308	3,425	3,169
Public safety	45,850	42,115	40,399	38,907	39,799	35,721	33,169	35,910	30,079	30,425
Health services	33,963	26,963	26,067	25,029	25,491	28,745	28,248	25,741	25,824	21,588
Community development	9,294	9,056	7,700	7,673	7,482	8,365	8,476	7,554	6,796	6,430
Highways and streets	12,758	12,118	9,598	13,342	14,035	11,980	16,580	11,882	10,933	8,658
Apportionments to school districts	1,063	1,592	1,403	1,643	1,610	1,747	778	1,539	1,733	2,000
Capital outlay	14,274	8,781	12,465	15,205	6,573	8,848	8,175	6,178	6,704	10,242
Debt service	1,111	305	275	174	193	218	260	211	247	279
Total expenditures	136,612	128,278	118,626	116,035	107,135	107,027	106,548	98,636	91,735	87,885
Excess of revenues over (under) expenditures	4,785	14,424	26,818	935	1,507	901	(6,645)	(2,162)	2,497	2,324
Other financing sources (uses)										
Transfers in	6,579	6,767	5,906	4,902	2,743	1,857	1,832	1,915	1,982	1,958
Transfers out	(6,579)	(6,767)	(5,906)	(4,902)	(2,743)	(1,674)	(1,657)	(1,915)	(1,982)	(1,958)
Lease and SBITA financings	4,587	762	-	-	-	-	-	-	-	-
Sale of capital assets	113	60	9,174	-	-	-	-	-	-	-
Total other financing sources (uses)	4,700	822	9,174	-	-	183	175	-	-	-
Net change in fund balances	\$ 9,485	\$ 15,246	\$ 35,992	\$ 935	\$ 1,507	\$ 1,084	\$ (6,470)	\$ (2,162)	\$ 2,497	\$ 2,324
Debt service as a percentage of noncapital expenditures	0.908%	0.255%	0.259%	0.173%	0.192%	0.222%	0.264%	0.228%	0.290%	0.359%

LINN COUNTY, OREGON
Governmental Activities Revenues By Source
Last Ten Fiscal Years
Year Ended June 30, 2023
(amounts expressed in thousands)

<u>Year ended June 30,</u>	<u>Property Taxes</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Licenses, Permits, Fines and Fees</u>	<u>Interest and Miscellaneous</u>	<u>Total</u>
2023	\$ 48,186	\$ 74,945	\$ 8,312	\$ 5,340	\$ 4,614	\$ 141,397
2022	44,795	79,974	8,470	6,087	3,376	142,702
2021	42,988	88,454	5,428	6,278	2,296	145,444
2020	41,588	59,744	9,617	4,756	1,265	116,970
2019	40,417	52,561	7,671	5,114	2,879	108,642
2018	36,867	55,725	7,358	4,905	3,073	107,928
2017	33,841	50,247	7,774	5,183	2,858	99,903
2016	31,577	50,393	7,155	4,770	2,579	96,474
2015	29,853	51,292	6,479	4,321	2,287	94,232
2014	27,100	50,827	5,940	3,959	2,383	90,209

LINN COUNTY, OREGON
Intergovernmental Revenues by Source
Last Ten Fiscal Years
Year Ended June 30, 2023

Year ended June 30,	Federal	State	Cities and Other	Totals	Per Capita
2023	\$ 28,042,288	\$ 43,859,852	\$ 3,042,715	\$ 74,944,855	571
2022	36,068,939	39,420,496	4,484,490	79,973,925	613
2021	34,833,970	36,861,844	16,757,750	88,453,564	695
2020	7,599,586	39,096,349	13,048,187	59,744,122	472
2019	7,660,757	31,925,596	12,974,225	52,560,578	419
2018	8,563,882	34,925,596	12,235,364	55,724,842	449
2017	4,738,912	33,984,225	11,523,740	50,246,877	411
2016	9,418,795	33,264,502	7,709,275	50,392,572	417
2015	10,191,186	35,049,234	6,051,326	51,291,746	428
2014	12,168,849	33,017,481	5,640,990	50,827,320	428

Population used to calculate per capita comes from Demographics schedule in this section.

LINN COUNTY, OREGON
Assessed Value and Estimated Actual Value of Taxable property
Last Ten Fiscal Years
(amounts expressed in thousands)

Year ended June 30,	Real Property	Manufactured Structures	Personal Property	Public Utilities	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$1,000	Estimated Real Market Value	Total Taxable Assessed Value as a Percentage of Estimated RMV
2023	\$ 11,285,052	\$ 167,077	\$ 381,868	\$ 604,710	\$ 44,658	\$ 12,394,049	4.2536	\$ 25,115,023	49.35%
2022	10,699,739	162,079	358,821	567,119	43,718	11,744,040	4.1036	21,193,423	55.41%
2021	10,171,566	156,758	344,598	558,842	40,895	11,190,869	4.2136	18,853,415	59.36%
2020	9,698,077	149,167	330,928	490,552	39,272	10,629,452	4.2936	17,541,514	60.60%
2019	9,271,794	134,010	311,426	507,412	35,735	10,188,907	4.2936	16,130,441	63.17%
2018	8,915,128	128,910	304,072	485,257	33,193	9,800,174	4.2936	14,532,083	67.44%
2017	8,543,774	121,034	296,402	460,848	32,034	9,390,024	4.2936	13,241,005	70.92%
2016	8,214,875	112,203	275,483	446,542	31,384	9,017,719	4.2936	12,118,178	74.41%
2015	7,932,202	108,688	254,054	425,703	30,625	8,690,022	4.2900	11,395,676	76.26%
2014	7,639,006	107,561	240,404	396,669	27,141	8,356,499	4.0436	10,815,138	77.27%

Source: Linn County Department of Assessment and Taxation.

LINN COUNTY, OREGON
Property Tax Rates -
Direct and Major Overlapping Governments
(Per \$1000 of Assessed Valuation)
Last Ten Fiscal Years

Year ended June 30,	Cities				Rural Fire Districts		Schools Districts				Linn-Benton
	Linn County	Albany	Lebanon	Sweet Home	Albany	Lebanon	Albany	(1) Lebanon	Sweet Home	Central Linn	Community College
2023	4.25	7.81	6.28	8.89	2.15	2.59	7.03	6.65	6.81	4.62	0.57
2022	4.10	7.81	6.34	10.44	2.15	2.55	6.62	6.70	6.84	4.62	0.67
2021	4.21	7.83	6.57	10.44	2.15	2.55	6.80	6.71	6.85	4.62	0.67
2020	4.29	7.47	5.70	10.44	2.15	2.45	6.83	6.79	6.88	4.62	0.67
2019	4.29	7.47	5.70	10.44	2.15	2.45	6.83	6.79	6.88	4.62	0.67
2018	4.29	7.47	5.70	10.44	2.15	2.46	6.90	6.84	6.91	4.62	0.67
2017	4.29	7.48	5.68	10.44	2.15	2.46	6.89	6.94	6.92	4.62	0.67
2016	4.29	7.51	5.30	10.43	2.15	2.46	6.08	7.02	6.94	4.62	0.68
2015	4.29	7.48	5.47	8.64	2.15	2.47	6.29	6.94	6.96	5.03	0.68
2014	4.29	7.59	5.64	8.64	2.15	2.47	6.32	7.08	6.99	4.62	0.68

(1) Includes Union High School District

All of the listed districts are component parts to the total direct rate, which is the sum of the component parts.

Source: Linn County Department of Assessment and Taxation.

LINN COUNTY, OREGON
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

Taxpayers	Type of Business	2023			2014		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificorp PP&L	Utility	\$ 210,136	1	1.70%	\$ 94,080	2	1.08%
Fort James Operating Co.	Timber & Forest Products	206,340	2	1.66%	132,681	1	1.53%
ATI/Teledyne Wah Chang Albany	Rare Metals	191,516	3	1.55%	85,571	4	0.98%
Weyerhaeuser Co./ Willamette Industries	Timber & Forest Products	125,762	4	1.01%	60,413	8	0.70%
Freres Lumber Co Inc/ Engineered Wood	Timber & Forest Products	116,472	5	0.94%			
Lowes HIW Inc	Retail distribution	109,203	6	0.88%	88,994	3	1.02%
Selmet Inc	Aerospace specialty parts	105,895	7	0.85%			
Northwest Natural Gas	Utility	97,171	8	0.78%	62,788	7	0.72%
Target Corporation	Retail distribution	89,063	9	0.72%	72,289	5	0.83%
Cascade Pacific Pulp LLC	Wood pulp for paper manufacture	85,044	10	0.69%			
Comcast Corporation	Communications				54,872	9	0.63%
Lumen Technologies Inc (formerly Centurylink)	Technology & Communications				69,374	6	0.80%
Timber Services Co Inc	Timber & Forest Products				45,329	10	0.52%
Total Principal Taxpayers		1,336,602		10.78%	766,391		8.82%
Total County Taxable Assessed Value		\$12,394,049		100%	\$ 8,690,022		100%

Source: Linn County Department of Assessment and Taxation.

LINN COUNTY, OREGON
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Year ended June 30,	Certified Tax Levies				Collected within the		Collections in Subsequent Years	Total Collections to Date	
	General	Law	(1)	Totals	Fiscal year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
		Enforcement Local option #1	Special Local option #2						
2023	\$ 15,117	\$ 34,515	\$ -	\$ 49,632	\$ 48,638	98.00%	\$ -	\$ 48,638	98.00%
2022	14,335	30,951	-	45,286	44,430	98.11%	423	44,853	99.04%
2021	13,671	29,336	1,111	44,118	43,205	97.93%	665	43,870	99.44%
2020	12,947	27,764	1,819	42,530	41,475	97.52%	951	42,426	99.76%
2019	12,415	26,232	1,720	40,367	39,338	97.45%	1,008	40,346	99.95%
2018	11,946	24,210	1,590	37,746	36,783	97.45%	949	37,732	99.96%
2017	11,383	21,693	1,428	34,504	33,329	96.60%	1,168	34,497	99.98%
2016	11,058	20,136	1,329	32,523	31,320	96.30%	1,198	32,518	99.98%
2015	10,576	18,665	1,235	30,476	29,318	96.20%	1,153	30,471	99.98%
2014	10,175	16,203	1,194	27,572	26,414	95.80%	1,155	27,569	99.99%

(1) Special local option #2 funded the construction of the Veteran's Home in Lebanon. This loan has since been paid off and no further taxes are assessed.

Note: Above data relates only to Linn County and does not include any other governments within the County.

Source: Linn County Department of Assessment and Taxation.

LINN COUNTY, OREGON
Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 247,881	\$ 234,881	\$ 223,817	\$ 212,589	\$ 203,778	\$ 196,003	\$ 187,800	\$ 180,982	\$ 173,800	\$ 16,269
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 247,881</u>	<u>\$ 234,881</u>	<u>\$ 223,817</u>	<u>\$ 212,589</u>	<u>\$ 203,778</u>	<u>\$ 196,003</u>	<u>\$ 187,800</u>	<u>\$ 180,982</u>	<u>\$ 173,800</u>	<u>\$ 16,269</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Debt Limit Calculation for Fiscal Year 2023:

Estimated Actual Taxable Value	\$ 12,394,049
Debt limit (2% of total assessed value)**	247,881
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
	<hr/>
Total net application to limit	-
	<hr/>
Legal Debt Margin	<u>\$ 247,881</u>

** Under Oregon law, the County's outstanding general obligation debt may not exceed 2% of the estimated actual taxable value.

LINN COUNTY, OREGON
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Year ended June 30,	Governmental Activities						(1)	(1)
	General Obligation Bonds	Bond Premiums	Loans and Notes	Leases Payable	SBITA Payable	Totals	Percentage of Personal Income	Debt Per Capita
2023	\$ -	\$ -	\$ -	\$ 487,034	\$ 3,663,328	\$ 4,150,362	0.06%	\$ 31.64
2022	-	-	-	572,921	-	572,921	0.01%	4.39
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-

(1) Percentage of personal income and per capita information is derived from demographic information presented in this statistical section.

LINN COUNTY, OREGON
Ratio of Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands)

Year ended June 30,	(1) General Obligation Bonds		Less: Amounts Available in Debt Service Fund			Totals	(2) Estimated Actual Taxable Value		Percentage of Estimated Actual Taxable Value of Property Per Capita		
2023	\$	-	\$	-	\$	-	\$	12,394,049	0.00%	\$	-
2022		-		-		-		11,744,040	0.00%		-
2021		-		-		-		11,190,869	0.00%		-
2020		-		-		-		10,629,452	0.00%		-
2019		-		-		-		10,188,907	0.00%		-
2018		-		-		-		9,800,174	0.00%		-
2017		-		-		-		9,390,024	0.00%		-
2016		-		-		-		9,017,719	0.00%		-
2015		-		-		-		8,690,022	0.00%		-
2014		-		-		-		8,356,499	0.00%		-

(1) The County has no General Obligation debt.

(2) Source: Linn County Department of Assessment and Taxation.

LINN COUNTY, OREGON
Direct and Overlapping Governmental Activities Debt
June 30, 2023
(amounts expressed in thousands)

Governmental Unit	Overlapping Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Cities: Albany	\$ 13,950	80.22%	\$ 11,191
Brownsville	5,385	100.00%	5,385
Harrisburg	7,925	100.00%	7,925
Lebanon	6,485	100.00%	6,485
Community Colleges: Chemeketa	28,865	1.12%	323
Lane	127,565	1.16%	1,480
Linn-Benton	37,040	52.42%	19,416
School Districts: Corvallis	189,430	2.23%	4,224
Eugene	437,830	0.07%	306
Marcola	6,570	0.04%	3
Greater Albany	119,905	81.44%	97,651
Harrisburg	7,213	91.36%	6,590
Jefferson	13,411	6.44%	864
Lebanon Community	26,705	100.00%	26,705
North Santiam	14,630	21.56%	3,154
Santiam Canyon	17,315	61.09%	10,578
Sweet Home	9,310	100.00%	9,310
Rural Fire Districts: Lebanon	15,705	100.00%	15,705
Harrisburg	5,900	99.98%	5,899
Mohawk Valley	140	0.03%	-
Scio	1,978	100.00%	1,978
Total Overlapping debt			235,172
Linn County direct debt	-	100.00%	-
Total			\$ 235,172

Not included in overlapping: Any jurisdiction with either no debt or no overlapping percentage

Note: Debt outstanding does not include Bancroft and other self-supporting general obligation or limited tax bonded debt

Source: Oregon State Treasury, Debt Management Division.

LINN COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Fiscal Years

Year ended June 30,	(1) Population	(2) Personal Income (in thousands)	Per Capita Personal Income	(3) Public School Enrollment	(4) County Unemployment Rate
2023	131,194	\$ 7,329,040	\$ 55,864	21,127	3.9%
2022	130,440	7,053,936	54,078	21,795	4.0%
2021	127,320	6,836,583	53,696	24,325	6.3%
2020	126,550	6,295,776	49,749	22,834	13.5%
2019	125,575	5,816,653	46,320	22,836	4.5%
2018	124,010	5,461,463	44,041	18,446	4.4%
2017	122,315	5,049,370	41,282	18,383	4.4%
2016	120,860	4,713,141	38,997	18,746	6.2%
2015	119,705	4,520,435	37,763	17,484	7.0%
2014	118,665	4,223,823	35,595	17,376	8.4%

Source:

- (1) Certified estimate per Portland State Population Research Center
- (2) Bureau of Economic Analysis - (the two most current years are estimated, and are updated to actual in subsequent years)
- (3) Oregon Department of Education
- (4) Bureau of Labor Statistics

LINN COUNTY, OREGON
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Number of Employees (a)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Target Distribution Center	1,700	1	3.57%	631	5	1.57%
Greater Albany Public Schools	1,091	2	2.29%	1,080	3	2.68%
Samaritan Health Services	1,060 (1)	3	2.22%	1,600	1	3.97%
Linn Benton Community College	1,000	4	2.10%	1,100	2	2.73%
ATI - (Wah Chang)	960	5	2.01%	949	4	2.36%
Selmet - a CPP company	782	6	1.64%			
Linn County	667	7	1.40%	627	6	1.56%
Oregon Freeze Dry	450	8	0.94%	398	8	0.99%
City of Albany	404	9	0.85%	390	9	0.97%
ENTEK International	368	10	0.77%			
Assurant Solutions			0.00%	500	7	1.24%
National Frozen Foods			0.00%	350	10	0.87%
Totals			<u>17.80%</u>			<u>18.93%</u>
Number of individuals employed in Linn County (b)			47,650			40,270

(1) Linn County employees only; Samaritan has approximately 5,100 total employees working in and serving residents in five counties.

(a) Source: Albany, Oregon Chamber of Commerce

(b) Source: State of Oregon Employment Department

LINN COUNTY, OREGON
Full-time Equivalent County Employees by Function
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General administration and support	46	49	47	39	41	45	41	42	39	42
Local government services	36	36	36	36	36	35	34	38	36	31
Public safety	256	251	253	314	249	244	234	242	245	232
Health services	212	194	189	195	193	209	221	208	190	176
Community development	62	59	62	52	56	61	50	53	53	66
Highways and streets	68	65	72	78	67	67	63	62	67	75
Total	680	654	659	714	642	661	643	645	630	622

Source: Linn County payroll department; shown are active employees at June 30.

LINN COUNTY, OREGON
Operating Indicators by Function
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sheriff										
Jail bookings (calendar year basis)	<i>n/a</i>	2,925	2,698	3,216	6,531	7,214	6,808	6,672	6,767	6,671
Highways and streets										
Road surface improvements (miles)	71	66	65	70	69	63	74	59	49	32
Parks										
Picnic shelter rentals	225	219	127	125	189	189	264	200	223	212
Clerk's Office										
Documents recorded	16,482	27,210	32,778	26,862	22,628	25,243	25,321	23,683	20,442	20,878
Marriage licenses issued	843	780	680	689	792	857	816	816	836	749
Registered voters	97,379	95,450	94,353	90,650	88,608	84,875	80,474	69,202	64,264	62,509
Planning										
Building permits	1,265	1,091	1,418	1,816	1,807	1,944	1,680	1,494	1,333	1,353
Contract cities	410	531	746	1,038	1,095	1,070	956	701	596	497
Electrical permits	1,772	1,879	2,022	1,859	1,937	2,010	1,972	1,631	1,505	1,335
Planning applications	541	867	929	887	888	934	794	757	642	670
Health										
Mental health clients	4,909	4,203	4,540	4,015	4,062	4,859	4,673	5,647	5,036	4,273
Developmentally disabled clients	1,210	1,481	1,261	1,362	1,168	1,113	972	909	776	842
Alcohol and drug clients	1,265	611	632	808	856	1,059	808	904	903	763
Public health clients	13,033	26,720	8,543	3,966	4,363	8,557	11,071	14,583	15,867	13,756
Women, Infants, and children clients	6,338	4,416	5,980	4,505	4,762	5,123	5,490	5,721	5,810	6,021
Environmental health service contacts	2,756	2,688	2,054	2,591	2,655	2,816	2,552	1,649	1,942	2,642
Fairgrounds										
Willamette building (hours of use)	7,815	5,230	1,133	5,051	9,363	7,892	8,259	6,642	6,176	5,550
Calapooia arena (hours of use)	1,657	1,387	48	1,071	1,683	1,684	1,952	1,926	1,845	2,042
Santiam center (hours of use)	1,645	842	178	953	1,852	1,823	1,540	1,503	1,373	1,146
Cascade livestock building (hours of use)	2,853	2,150	136	1,995	3,514	3,952	4,305	4,124	4,107	3,793

n/a: Sheriff's office compiles its statistics on a calendar year basis. The current year is not yet available.

Source: Linn County elected officials and department managers.

LINN COUNTY, OREGON
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police stations	10	10	9	9	9	9	8	8	7	7
Patrol units	56	53	53	53	53	53	55	55	55	55
Vehicles leased	15	12	-	-	-	-	-	-	-	-
Police service dogs	1	2	2	3	3	2	1	1	1	1
Culture and recreation										
Parks acreage	1,508	1,508	1,256	1,246	1,246	1,369	1,369	1,364	1,364	1,364
Parks	27	27	26	25	25	24	24	24	24	24
Picnic shelters	13	13	13	13	13	13	13	13	13	13
General Services										
Motor pool vehicles	82	78	81	79	78	80	80	79	76	78
Roads										
All public road miles	1,167	1,167	1,167	1,170	1,170	1,170	1,155	1,155	1,153	1,153
Bridges	335	335	335	335	335	335	335	336	336	336

Source: Linn County elected officials and department managers.

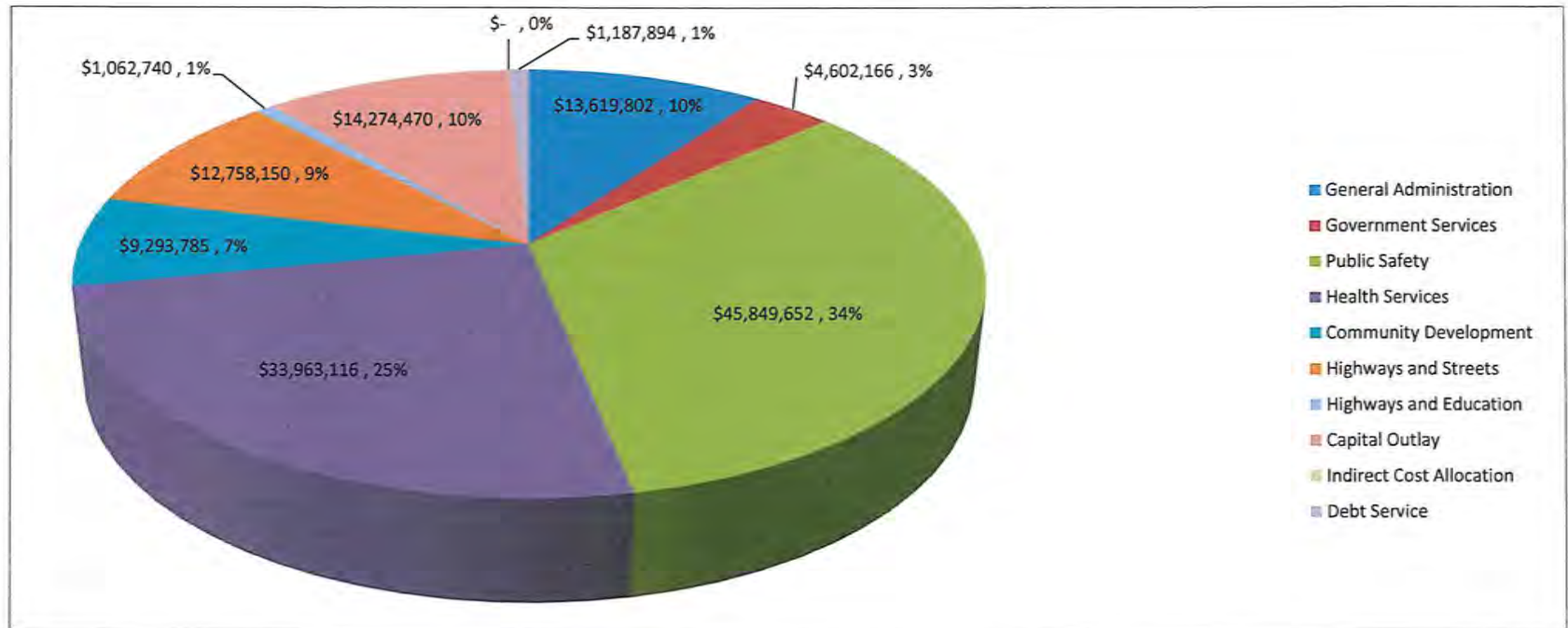
LINN COUNTY, OREGON
General Government Expenditures by Function
Last Ten Fiscal Years

Year ended June 30,	General Administration	Local Government Services	Public Safety	Health Services	Community Development	Highways and Streets	Education	Capital Outlay	Indirect Cost Allocation	Debt Service	Totals	(b) CPI	Per Capita
2023	\$ 13,619,802	\$ 4,602,166	\$45,849,652	\$33,963,116	\$ 9,293,785	\$12,758,150	\$ 1,062,740	\$ 14,274,470	(a)	\$1,187,894	\$ 136,611,775	333.7	1,041.30
2022	22,906,618	4,440,822	42,114,994	26,962,734	9,055,751	12,117,939	1,592,381	8,782,308	(a)	304,939	128,278,486	322.6	983.43
2021	16,464,690	4,254,342	40,399,019	26,066,580	7,700,185	9,598,339	1,403,270	12,464,692	(a)	274,671	118,625,788	296.1	931.71
2020	10,105,797	3,956,387	38,906,797	25,028,813	7,673,106	13,342,211	1,643,314	15,204,919	(a)	173,868	116,035,212	283.6	916.91
2019	8,250,932	3,701,191	39,798,435	25,491,351	7,482,275	14,035,239	1,610,423	6,572,760	(a)	192,663	107,135,269	279.4	853.16
2018	7,672,035	3,731,080	35,057,002	27,328,255	8,352,713	11,801,039	1,747,165	8,847,857	\$ 2,272,026	218,013	107,027,185	271.7	863.05
2017	7,223,740	3,638,210	32,540,288	26,883,838	8,461,930	16,385,036	778,499	8,174,975	2,202,327	259,985	106,548,828	258.0	871.10
2016	6,312,665	3,308,064	35,345,739	24,643,028	7,540,995	11,691,535	1,538,719	6,177,945	1,866,919	210,770	98,636,379	247.5	816.12
2015	5,976,827	3,424,956	29,546,251	24,856,327	6,764,848	10,743,588	1,733,163	6,703,094	1,739,461	246,921	91,735,436	242.7	766.35
2014	5,081,149	3,169,212	29,889,155	20,626,039	6,395,095	8,467,424	1,999,835	10,241,664	1,736,315	279,447	87,885,335	233.6	740.62

(a) The indirect cost allocation has been included in transfers in/out on the governmental statement since 2019.

(b) After and including 2018, CPI based on 'CPI West-Size class A'; before 2018 based on CPI-Portland Metro Area, from Bureau of Labor Statistics.

Population used to calculate per capita comes from Demographics schedule in this report.



OTHER INFORMATION

LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2023

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>COVERAGE LIMITS</u>	<u>POLICY PERIOD</u>	
					<u>FROM</u>	<u>TO</u>
28337	SAIF Corporation State of Oregon	Standard workers' compensation and employers' liability policy - policy limit Bodily injury by accident - each accident Bodily injury by disease - each employee		500,000 500,000 500,000	7/1/2022	7/1/2023
22LLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.) (Is subject to policy conditions and contingent on sufficient monies being available in Self-Insured Loss Fund)	Commercial general liability-General Aggregate Public officials liability Auto liability	Policy limit Each occurrence Each occurrence	15,000,000 5,000,000 5,000,000	7/1/2022	7/1/2023
22APDLINC	City/County Insurance Services	Automobile physical damage (APD)	Comp/Collision and APD deductibles vary based on value and deductible per vehicle		7/1/2022	7/1/2023
LINC2022	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Equipment Breakdown Coverage (\$1,000 Deductible)	Policy limit	100,000,000	7/1/2022	7/1/2023
LINC2022	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Policy limit Blanket buildings/business personal property Earthquake Flood Revenue and Rental Value Extra Expense and Rental value Property in Transit Hired, Rented, or Borrowed Equipment Restoration/Reproduction of books, records, etc. Electronic Data Restoration/Reproduction Pollution Clean-up Crime Coverage Police Dogs (if scheduled) Off Premises Service Interruption Miscellaneous Coverage	205,465,242 As per property schedule 5,000,000 5,000,000 1,000,000 1,000,000 1,000,000 150,000 100,000 250,000 25,000 50,000 15,000 100,000 50,000	7/1/2022	7/1/2023

Property Coverage continues on next page

LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2023

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>COVERAGE LIMITS</u>	<u>POLICY PERIOD</u>	
					<u>FROM</u>	<u>TO</u>
LINC2022 Continued	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Personal Property at Unscheduled Locations Personal Property of Employees or Volunteers Unscheduled Fine Arts Temporary Emergency Shelter Restoration	15,000 15,000 100,000 50,000	7/1/2022	7/1/2023
LINC2022	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Inland Marine Coverage (\$2,500 Deductible)	Refer to Mobile Equipment schedule for list of covered equipment Actual cash or replacement cost value as per schedule		7/1/2022	7/1/2023
22ECLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Excess Crime Coverage (\$10,000 Deductible) Coverages listed are in excess of the \$50,000 crime coverage provided under the property coverage agreement.	Employee Theft - per loss Forgery or Altercation Inside Premises-Theft of Money & Securities Inside Premises-Robbery, Safe Burglary, Other Outside the Premises Computer Fraud Money Orders & Counterfeit Paper Currency Funds Transfer Fraud Faithful Performance of Duty Impersonation fraud coverage	500,000 Included Included Included Included Included Included Included Included 250,000	7/1/2022	7/1/2023
22CYBLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Cyber Security Coverage (\$5,000 Deductible)	Policy limit per coverage year Coverage Limit Notification Costs Third Party Liability Penalties Extortion Breach Coaching Public Relations Consulting Credit Monitoring Impersonation Fraud Coverage	5,000,000 50,000 Included Included Included Included Included Included Included	7/1/2022	7/1/2023

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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December 22, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Linn County, Oregon, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 22, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Linn County, Oregon's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Schedule of Accountability of Elected Officials**

In connection with our testing nothing came to our attention that caused us to believe the Linn County, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

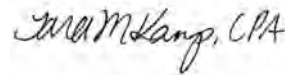
1. Budget over expenditures as noted on page 40 of the notes
2. During our review of the 2022-23 budget appropriations, we noted that the County did not conduct a public notice of budget hearing in accordance with ORS 294.473 for adjustments that exceed 10% of the fund appropriation.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Linn County, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Linn County, Oregon's internal control over financial reporting.

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Questioned Costs.

This report is intended solely for the information and use of the Board of Commissioners and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW



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December 22, 2023

To the Board of County Commissioners
Linn County
Albany, Oregon

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify a deficiency in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs.

Entity's Response to Findings

The entity's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.



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December 22, 2023

To the Board of County Commissioners
Linn County
Albany, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Linn County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Linn County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Linn County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Linn County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the entity's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

LINN COUNTY, OREGON
ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?

yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance

with section 200.516(a) of the Uniform Guidance?

yes

no

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

10.557	SSNP FOR WOMEN, INFANT, AND CHILDREN (WIC)
21.027	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
93.323	EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes

no

SECTION II – FINANCIAL STATEMENT FINDINGS

None Noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2023 - 001 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: 21.027 – Coronavirus State and Local Fiscal Recovery Funds

SPECIFIC REQUIREMENT: Expenditures being reported under the major program were made in accordance within grant compliance

CONDITION: During our testing of Quarterly Project and Expenditure Reporting forms, we noted that there was inaccurate reporting of expenditures, where monies expended in fiscal year 2022 were reported as 2023 expenditures. Forms submitted prior to fiscal year 2023 start, had a clerical error where the second quarter of fiscal year 2022 was improperly identified as the third quarter of 2022.

QUESTIONED COST: None noted

CONTEXT: This finding is limited to this major program and the context noted in the condition. The minimum noted in questioned cost, is the amount where no documentation was maintained and maximum is the amount reimbursed under this program related to the condition noted

EFFECT: Without adequate controls or procedures in place to review reporting documents, the possibility exists that expenditures may be improperly charged to inaccurate fiscal years under a federal grant program.

CAUSE: The County did not have adequate review processes in place to ensure accuracy of reporting forms.

RECOMMENDATION: We recommend the County implement review policies and procedures for federal awards to ensure proper usage and ensure compliance with federal award provisions.

VIEWES OF RESPONSIBLE OFFICIALS: Management agrees with the finding. The County has implemented a grant reporting process where before grant reports are filed with the corresponding agency, that they are reviewed for accuracy by a second person.

SECTION IV – PRIOR FINANCIAL STATEMENT FINDINGS

SA 2022 - 001 – MATERIAL WEAKNESS

FEDERAL PROGRAM: 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases

SPECIFIC REQUIREMENT: All federal expenditures related to the program should be reported in the fiscal year they are expended.

CONDITION: Adequate controls were not in place to ensure the schedule of expenditures of federal awards were accurate at year end.

QUESTIONED COST: None noted

CONTEXT: is finding is limited to this major program and the context noted in the condition

EFFECT: Without adequate controls or procedures in place to ensure accuracy of the schedule of expenditures of federal awards there exists the risk of material misstatement.

CAUSE: The County did not have adequate procedures and policies in place for individual departments reporting their federal award expenditures for compilation and reporting.

RECOMMENDATION: We recommend the County implement policies and procedures to ensure accuracy of the schedule of expenditures of federal awards.

CURRENT STATUS: The deficiency has been corrected by management in the current year under audit.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LINN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster:					
School Breakfast Program	10.553	Oregon Department of Education	2212004	\$ 9,762	\$ -
National School Lunch Program	10.555	Oregon Department of Education	2212004	23,801	-
National School Lunch Program (non-cash assistance)	10.555	Oregon Department of Education	2212004	1,648	-
				<u>35,211</u>	<u>-</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Oregon Health Authority	PE40-various	861,746	-
US Forest Service-Direct programs:					
Secure Rural Schools - Resource Advisory Committee Title II	10.665	Direct - BLM	L21AC102980	11,500	-
Total Department of Agriculture				<u>908,457</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR					
Bureau of Land Management-direct programs					
Clean Vessel Act Program	15.616	Oregon State Marine Board	F20AP11947	28,500	-
Total Department of the Interior				<u>28,500</u>	<u>-</u>
DEPARTMENT OF JUSTICE					
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA-NC-FR-2021	193,641	-
Total Department of Justice				<u>193,641</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction Cluster:					
Federal Lands Access Program	20.224	Federal Highway Administration (FHWA) - Oregon division	6905672040006	71,657	-
Federal Lands Access Program	20.224	Oregon Department of Transportation	34663	24,648	-
				<u>96,305</u>	<u>-</u>
Formula Grants for Rural Areas Cluster:					
Formula Grants for Rural Areas	20.509	Oregon Department of Transportation	35007-various	191,475	191,475
Formula Grants for Rural Areas-Covid 19	20.509	Oregon Department of Transportation	35007-various	170,582	170,582
				<u>362,057</u>	<u>362,057</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF TRANSPORTATION (continued)					
Transit services programs					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Oregon Department of Transportation	34988	\$ 115,610	\$ 115,610
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Oregon Department of Transportation	35209	86,385	86,385
				<u>201,995</u>	<u>201,995</u>
National Infrastructure Investments - Tiger IX Award	20.933	Federal Highway Administration (FHWA) - Oregon division	693J31940009	276,262	-
Total Department of Transportation				<u>936,619</u>	<u>564,052</u>
DEPARTMENT OF THE TREASURY					
Coronavirus state and local fiscal recovery funds-Covid 19	21.027	Oregon Department of Administrative Services	SLFRP4454	54,943	-
Coronavirus state and local fiscal recovery funds-Covid 19	21.027	Oregon Department of Administrative Services		900,000	-
Total Department of the Treasury				<u>954,943</u>	<u>-</u>
GENERAL SERVICES ADMINISTRATION					
Donation of Federal Surplus Personal Property	39.003	Oregon Department of Administrative Services	various	1,888	-
Total General Services Administration				<u>1,888</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
Library Services and Technology Act-ARPA State Library Program	45.310	State Library of Oregon	LS-250233-OLS-21	46,000	-
Total Institute of Museum and Library Services				<u>46,000</u>	<u>-</u>
U.S. ELECTION ASSISTANCE COMMISSION					
HAVA Election Security Funds	90.404	Oregon Secretary of State	952149216	879	-
Total U.S Election Assistance Commission				<u>879</u>	<u>-</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Medical Reserve Corp Small Grant Program	93.008	Direct-National Association of County and City Health Officials	MRC 23-0329	\$ 111,068	\$ -
Public Health Emergency Preparedness	93.069	Oregon Health Authority	PE12-01	103,192	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	Oregon Health Authority	PE62-02	5,383	-
Family Planning Services	93.217	Oregon Health Authority	PE46-05	20,150	-
Immunization Cooperative Agreements	93.268	Oregon Health Authority	PE01-10, PE43-01	307,767	-
Drug-Free Communities Support Program Grants	93.276	Direct-Centers for Disease Control and Prevention	SNH28CE003365-02-00	126,424	-
Epidemiology and Laboratory Capacity for Infectious Diseases - COVID 19	93.323	Oregon Health Authority	PE01-09	450,611	-
ELC - Vector Control and Surveillance - COVID 19	93.323	Oregon Health Authority	PE17	9,044	-
Public Health Emergency Response - COVID 19	93.354	Oregon Health Authority	PE51-03	110,622	-
Block Grants for Community Mental Health Services	93.958	Oregon Health Authority	not available	83,965	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Oregon Health Authority	not available	298,650	-
CDC's Collaboration with Academia to Strengthen Public Health Workforce Capacity	93.967	Oregon Health Authority	not available	24,966	-
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health Authority	PE42-11, PE42-12	54,475	-
Total Department of Health and Human Services				<u>1,706,317</u>	<u>-</u>
DEPARTMENT OF HOMELAND SECURITY					
Emergency Management Performance Grant	97.042	Oregon Military Department	31011, 31020	151,747	-
Homeland Security Grant Program	97.067	Oregon Military Department	32020	368,034	-
Total Department of Homeland Security				<u>519,781</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 5,297,025</u>	<u>\$ 564,052</u>

The accompanying notes are an integral part of this schedule.

LINN COUNTY, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Note 1. Reporting entity and basis of presentation

Reporting Entity: The reporting entity is fully described in Note 1 to the County's basic financial statements. The schedule includes all federal financial assistance programs administered by the County for the year ended June 30, 2023.

Basis of Presentation: The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Linn County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Linn County.

Note 2. Summary of significant accounting policies

Federal Financial Assistance: Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Expenditure recognition: expenditures of federal awards are accounted for on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance., wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs are charged to programs based on the County's indirect cost allocation methodology.